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and Foreign Representative of Peraso Technologies Inc.*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PERASO TECHNOLOGIES INC.,¹

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 20-____ (____)

**DECLARATION OF KEN COLEMAN IN SUPPORT OF VERIFIED
PETITION FOR RECOGNITION OF FOREIGN PROCEEDING
AND EMERGENCY MOTION FOR PROVISIONAL RELIEF**

KEN COLEMAN, pursuant to 28 U.S.C. §1746, hereby declares as follows:

1. I am a member of the firm of Allen & Overy LLP, counsel to Ernst & Young Inc., the court-appointed monitor (the “**Monitor**”) and authorized foreign representative of Peraso Technologies Inc. in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, (as amended, the “**CCAA**”), pending before the Ontario Superior Court of Justice, Commercial List (the “**Ontario Court**”).

2. I respectfully submit this declaration in support of the Monitor’s *Verified Petition for Recognition of Foreign Proceeding and Related Relief, Memorandum of Law in Support of*

¹ The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, for Peraso Technologies Inc. are 8747.

Verified Petition for Recognition of Foreign Proceeding and Related Relief, and Emergency Motion for Provisional Relief (collectively, the “**Chapter 15 Papers**”).

3. Attached as Exhibit A hereto is a true and correct copy of the *Affidavit of Ronald Glibbery*, dated June 2, 2020.

4. Attached as Exhibit B hereto is a true and correct copy of the *Pre-Filing Report of the Proposed Monitor*, dated June 2, 2020.

5. Attached as Exhibit C hereto is a true and correct copy of each of the unpublished orders or foreign decisions cited in the Chapter 15 Papers:

- A. *In re Angiotech Pharm., Inc.*,
No. 11-10269 (Bankr. D. Del. Feb. 22, 2011).
- B. *In re Arcadia Grp. (USA) Limited (in Administration)*,
Case No. 19-11650 (JLG) (Bankr. S.D.N.Y. May 22, 2019)
- C. *In re Imperial Tobacco Canada Limited*,
Case No. 19-10771(SCC) (Bankr. S.D.N.Y. Mar. 25, 2019).
- D. *In re Imperial Tobacco Canada Limited*,
Case No. 19-10771 (Bankr. S.D.N.Y. Apr. 17, 2019).
- E. *In re Kraus Carpet Inc.*,
Case No. 18-12057 (Bankr. D. Del. Oct. 1, 2018).
- F. *In re Metcalfe & Mansfield Alt. Invs.*,
No. 09-16709 (Bankr. S.D.N.Y. Jan. 5, 2010).
- G. *In re Motorcycle Tires & Accessories LLC*,
Case No. 19-12706 (Bankr. D. Del. Jan. 22, 2020).
- H. *In re Olinda Star Ltd. (In Provisional Liquidation)*,
No. 20-10712 (MG) (Bankr. S.D.N.Y. Mar. 10, 2020)
- I. *In re Pac. Exploration & Prod. Corp.*,
Case No. 16-11189 (Bankr. S.D.N.Y. June 10, 2016).
- J. *In re Perforadora Oro Negro, S. De R.L. De C.V.*,
No. 18-11094 (SCC) (Bankr. S.D.N.Y. Apr. 23, 2018)

- K. *In re Quebecor World Inc.*,
No. 08-13814 (Bankr. S.D.N.Y. July 1, 2009).
- L. *In re SemCanada Crude Co.*,
No. 09-12637 (BLS) (Bankr. D. Del. Aug. 27, 2009)
- M. *In re Spectra Premium Indus. Inc.*,
Case No. 20-10611 (BLS) (Bankr. D. Del. Mar. 12, 2020).
- N. *In re The Aldo Grp. Inc.*,
Case No. 20-11060 (KBO) (Bankr. D. Del. May 8, 2020)

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I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: New York, New York
June 3, 2020

By: /s/ Ken Coleman
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*Counsel to Ernst & Young Inc.,
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Representative of Peraso
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EXHIBIT A

Affidavit of Ronald Glibbery

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

AND IN THE MATTER OF
A PLAN OF COMPROMISE OR ARRANGEMENT OF
PERASO TECHNOLOGIES INC.

(Applicant)

AFFIDAVIT OF RONALD GLIBBERY
(Sworn June 2, 2020)

I, Ronald Glibbery, of the City of Toronto, Ontario AFFIRM AND SAY:

1. I am the founder of Peraso Technologies Inc. ("**Peraso**" or the "**Applicant**"). I am and have been a director of Peraso since it was founded. I was also Peraso's Chief Executive Officer from its founding until approximately February 2018. I assumed the role of Senior Vice President of Corporate Development at Peraso between February 2018 and February 2020, inclusive, and on March 1, 2020, I again became the interim Chief Executive Officer.
2. I have also reviewed the books and records of Peraso and I have spoken with certain current and former directors, officers and/or employees of Peraso, as necessary and applicable. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.
3. All references to currency in this affidavit are references to United States dollars, unless otherwise indicated.

A. INTRODUCTION

4. This affidavit is sworn in support of an application by the Applicant for an order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**").

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5. This CCAA application is necessary due to Peraso's pending liquidity crisis and anticipated inability to satisfy its payment obligations as they come due. If action is not taken now, Peraso anticipates that it will run out of cash by late June 2020, at which point it will be forced to cease operations.

6. Peraso is a small, private Canadian company specializing in the development of integrated circuits and chipsets for use in wireless technology that operates on the 60 gigahertz ("GHz") band. As described in greater detail below, for over the last 12 months, Peraso has been the subject of multiple legal proceedings brought in Canada and the United States by Ubiquiti Inc. and its various affiliates (collectively, "**Ubiquiti**"). Ubiquiti is a publicly traded US technology company that generates in excess of \$1 billion in annual gross revenues. It is Peraso's largest customer and one of its shareholders.

7. The costs associated with the litigation place further strain on Peraso's already strained liquidity. Furthermore, the litigation with Ubiquiti has stymied any and all of Peraso's efforts to raise additional funds, pursue a sales process or even market its products. Due to the on-going Ubiquiti litigation, Peraso has been unable to obtain the necessary liquidity to continue its operations outside of formal insolvency proceedings.

8. Peraso is now seeking the protection of the CCAA and the relief available thereunder so that it can raise essential interim financing and resolve its disputes with Ubiquiti. Doing so would enable Peraso to explore restructuring, financing, sales to other customers and/or sale of the entire business options that will enable it to emerge from these proceedings as a viable and sustainable business for the benefit of all of its stakeholders, including its employees and shareholders.

9. If this Court grants the proposed Initial Order, Peraso plans to commence ancillary insolvency proceedings (the "**Chapter 15 Proceedings**") under chapter 15 of title 11 of the *United States Code* (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of New York (the "**US Court**").

10. The Board of Directors of Peraso has authorized this CCAA application. The holders of the 2019 Notes and the 2020 Notes (as those terms are defined below) will receive notice of this CCAA application.

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B. BACKGROUND

(i) Corporate Overview

11. Peraso is a fabless¹ semiconductor² company specializing in the development of integrated circuits and chipsets³ for use in wireless technology that operates on the 60 GHz band. The 60 GHz band is a band of extremely high radio frequencies that allow the short-range transmission of data at high speeds up to multiple gigabits per second.⁴ Wireless technology that operates on the 60 GHz band can be used in a variety of applications, such as to create high speed wireless networks in businesses and homes or be used by internet service providers to deliver high speed broadband to businesses and homes without the need to install fibre or cable connections.

12. Peraso is a corporation incorporated under the laws of the Province of Ontario in June 2008. Peraso's place of business is at 144 Front Street West, Suite 685, Toronto, Ontario, M5J 2L7, Canada. Peraso does not have any subsidiary corporations.

13. Pursuant to Peraso's amended articles of incorporation dated March 2, 2016, Peraso was authorized to issue common shares, Class A Convertible Preferred Shares, Class B Convertible Preferred Shares, and Class C Convertible Preferred Shares.

14. Following a conversion of the Class A, Class B and Class C Convertible Preferred Shares implemented on March 13, 2020, Peraso's shares are held by the following entities (all of which are common shares):

¹ "Fabless" means that the fabrication of silicon wafers (or chips) used in Peraso's products is outsourced to a plant or foundry.

² A semiconductor is a material product usually comprised of silicon, which conducts electricity more than an insulator, such as glass, but less than a pure conductor, such as copper or aluminum. Nearly any device that is computerized or that uses radio waves depends on semiconductors to function.

³ A chipset is a set of electronic components which consists of at least one radio device, one baseband device, and, typically, an antenna.

⁴ For context, the much-publicized 5G cellphone networks that telecommunication companies are developing in Canada rely on lower radio frequency bands than the 60 GHz band (typically closer to 3.5GHz). 60 GHz networks are faster than 5G networks, but 5G networks have a greater range and can more easily penetrate walls and surfaces.

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Investor	Shareholding	Ownership %
Roadmap Capital Inc.*	34,174,579	26.11%
Qorvo International Pte. Ltd	23,122,197	17.67%
Celtic House Venture Partners Inc.*	14,197,928	10.85%
Total ESOP - Peraso Technologies Inc. Stock Option Plan	11,883,709	9.08%
iNovia*	9,652,587	7.38%
Ontario Capital Growth Fund	9,639,130	7.36%
VentureLink Funds*	7,405,797	5.66%
Ubiquiti Networks Canada Inc.	5,728,955	4.38%
Integrated Device Technology Malaysia SDN BHD	5,665,393	4.33%
Polar Multi-Strategy Master Fund	5,227,349	3.99%
Employees	3,693,415	2.82%
Other Investors	400,000	0.31%
Comerica Bank	90,000	0.07%
Total	130,881,039	100.00%

Notes:

1. An asterisk (*) denotes a shareholding that may be direct or indirect through related co-investment vehicles.
2. Ubiquiti is challenging the conversion of the preferred shares to common shares in the Oppression Litigation (as defined below). As such, the shareholdings listed above may change depending on the outcome of the Oppression Litigation.

15. Peraso's shareholders are parties to a Ninth Amended and Restated Unanimous Shareholders Agreement made as of March 13, 2020 (the "USA"). Among other things, the USA stipulates the composition of Peraso's Board of Directors (the "**Peraso Board**").

(ii) Peraso's Products and Services

16. Peraso is in the business of developing the underlying technologies that will power the next generation of wireless internet.

17. At present, Peraso's revenue is primarily derived from engineering services. This is because Peraso remains a developing company and not all of its products are currently

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available for sale. Going forward, Peraso anticipates that its revenue will be primarily generated from its two core business segments: (i) software⁵ and (ii) chipsets.

18. With respect to Peraso's chipsets, they serve the 60 GHz wireless market. Peraso's core chipsets are the following:

- (a) **"W" Series Chipsets:** These chipsets are designed as an alternative to existing wired standards (like USB or HDMI) in consumer electronics devices such as virtual reality headsets, docks, adapters, smartphones and tablets; and
- (b) **"X" Series Chipsets:** These chipsets are designed for high performance wireless applications and can create wireless networks with a range of over 1.5 km—significantly higher than most other 60 GHz wireless technology currently on the market.

19. Peraso is in the process of leveraging its expertise with respect to 60 GHz wireless technology to enter the 5G wireless technology market. Some of Peraso's intellectual property that can be leveraged for use in the 5G wireless market includes:

- (a) High performance phased array technology operating in the millimeter wave ("**mmWave**") band;⁶
- (b) High efficiency, low cost phased array antennas; and
- (c) Low cost mmWave production test systems for use by customers engaged in high volume manufacturing.

(iii) Employees and Contractors

20. As of May 19, 2020, Peraso employed 78 employees and/or contractors. That number is down from December 2019 by 24 people. As part of an effort to reduce costs, the number of

⁵ "Software" refers to the programs and other operating information used by computer technology.

⁶ mmWave refers to the band of high frequency radio frequencies between approximately 30GHz and 300GHz (in Canada, wireless networks operating on the mmWave band are largely confined to the 28 GHz to 71 GHz frequency bands). 5G wireless networks are expected to operate, at least in part, on mmWave bands.

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employees was reduced through temporary layoffs (15), elimination of student co-op positions (4) and resignations with no replacements (5).

21. Of the current employees and/or contractors, 64 are analog, digital and software engineers that are critical to the sustainability of business as the key assets of the business intellectual property and product development.

22. Peraso's employees are paid bi-weekly in arrears. All payments to employees and contractors are currently being made and are proposed to continue to be paid in the ordinary course.

23. Peraso's employees are not unionized. Peraso maintains a benefits plan but it does not have a pension plan.

(iv) Peraso's Customers

24. Peraso's largest customer is Ubiquiti and its affiliates. For the second quarter of 2020, I would estimate that roughly 95% of Peraso's component revenue and at least 40% of Peraso's overall revenue is attributable to Ubiquiti.

25. Ubiquiti's position as Peraso's largest customer is largely due to two factors. First, Ubiquiti is one of the largest players in the wireless networking market which, in turn, makes it a large purchaser of chipsets. Second, the Exclusivity Clause in the Licence Agreement (as defined and described below) effectively prevents Peraso from selling certain chipsets to customers other than Ubiquiti. Based on my discussions with Peraso's other customers and other entities in the wireless networking market, I believe that without the Exclusivity Clause, Peraso would have many alternative customers who would purchase the chipsets covered by the Licence Agreement.

26. Peraso is starting to expand its customer base and develop revenue streams independent of Ubiquiti. This remains an ongoing process and it is estimated that Peraso will start seeing the benefits of a more diversified customer base within the next year. This process will be greatly assisted by a determination of the validity and enforceability of the Exclusivity Clause.

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C. RELATIONSHIP WITH UBIQUITI

27. Ubiquiti is a corporation incorporated under the laws of the State of Delaware, having a place of business at 685 Third Ave., 27th Floor, New York, NY 10017. Ubiquiti is a publicly traded company (NYSE: UI) that develops and markets professional network hardware and software that is used to create networking infrastructures in 200 countries across the world.

(i) The Peraso-Ubiquiti Transaction

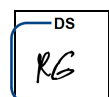
28. On December 21, 2018, Peraso and Ubiquiti entered into a licence agreement (the "**Licence Agreement**"), which was part of a larger transaction (the "**Peraso-Ubiquiti Transaction**") whereby Peraso, Ubiquiti and Ubiquiti's wholly owned subsidiary Ubiquiti Networks Canada Inc. ("**Ubiquiti Canada**") entered into the following additional agreements:

- (a) the Class C Series 1 Convertible Preferred Share Subscription Agreement between Peraso and Ubiquiti Canada, dated December 21, 2018 (the "**Subscription Agreement**");
- (b) the Letter Agreement in respect of Class C Series 1 Convertible Preferred Share Subscription Agreement sent from Peraso to Ubiquiti Canada, dated December 21, 2018; and
- (c) the Master Purchase and Supply Agreement between Peraso and Ubiquiti Cayman Limited, dated December 21, 2018 (the "**Supply Agreement**").⁷

29. Under the Licence Agreement, Peraso would develop certain chipsets as per Ubiquiti's specifications (in addition to granting Ubiquiti certain intellectual property and exclusivity rights). The Licence Agreement included an exclusivity clause (the "**Exclusivity Clause**") that provided, with few exceptions, that Peraso would refrain from manufacturing, distributing,

⁷ The Supply Agreement governs the supply by Peraso of chipset and related products set out in the exhibits to the Supply Agreement pursuant to purchase orders which, under certain circumstances, may be accepted or rejected by Peraso (provided that, under the circumstances in which a purchase order is validly rejected by Peraso, it must provide a basis for such rejection). A non-exclusive intellectual property licence is granted by Peraso in favour of Ubiquiti Cayman Limited providing for, among other things, the right by Ubiquiti Cayman Limited to embed the Peraso goods in or to Ubiquiti's products, and for marketing, distribution and other purposes. The Supply Agreement remains in good standing and has not been terminated.

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offering or selling any of the chipsets covered by the Licence Agreement (defined as “Licenced Chipsets” in the Licence Agreement) in select markets (defined as the “Customer’s Market” in the Licence Agreement) other than to Ubiquiti or its affiliates.

30. The Peraso-Ubiquiti Transaction was structured so that, as Peraso achieved each of three defined milestones under the Licence Agreement (the “**First, Second, and Third Tranche Development Milestones**” or “**Tranche Development Milestones**”), Ubiquiti would cause Ubiquiti Canada to purchase certain amounts of Peraso’s Class C Series 1 Convertible Preferred Shares (“**Class C Shares**”) pursuant to the Subscription Agreement.

31. The Tranche Development Milestones and Ubiquiti’s corresponding obligations under the Subscription Agreement were material aspects of the Peraso-Ubiquiti Transaction. They established the sequence of work to be performed by Peraso and provided a predictable flow of capital to Peraso, which at the time was (and remains) in the early stages of generating revenue. Peraso’s business depended on the flow of capital outlined in the Subscription Agreement to fund its operations and, more generally, to remain solvent.

32. The First Tranche Development Milestone had been satisfied at the time Peraso and Ubiquiti entered into the Licence Agreement on December 21, 2018. Such satisfaction was memorialized in section 2.1(i) of the Licence Agreement. Accordingly (and in connection with the closing of the Peraso-Ubiquiti Transaction), on December 21, 2018 Ubiquiti Canada purchased 4,583,164 Class C Shares of Peraso for \$5,000,000 (representing a price per share of \$1.4790 after currency exchange) pursuant to section 2.1(a) of the Subscription Agreement.

33. In connection with the Peraso-Ubiquiti Transaction and Ubiquiti Canada’s purchase of 4,583,164 Class C Shares of Peraso, Peraso, Ubiquiti Canada, and the other shareholders of Peraso entered into an Eighth Amended and Restated Unanimous Shareholders Agreement on December 21, 2018 (the “**Eighth USA**”). Among other things, the Eighth USA set out the requirements of the Board of Directors of Peraso. Although Ubiquiti was not a significant shareholder of Peraso, it was nonetheless granted certain limited observer rights in relation to the Peraso Board. A copy of the Eighth USA is attached hereto as **Exhibit “A”**.

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(ii) Ubiquiti's Failure to Meet Its Obligations Under the Licence Agreement

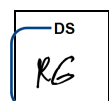
34. On January 29, 2019, Peraso met the Second Tranche Development Milestone and gave proper notice to Ubiquiti under section 2.2 of the Licence Agreement. Pursuant to section 2.2 of the Licence Agreement, Ubiquiti was required, within 30 days, to provide Peraso with written notice of rejection or acceptance of Peraso's satisfaction of the Second Tranche Development Milestone. Ubiquiti did not confirm that the acceptance criteria for the Second Tranche Development Milestone had been satisfied, nor did Ubiquiti provide written notice of a rejection setting forth in adequate detail the reason for such rejection. Peraso's position is that Ubiquiti's failure to give a formal acceptance or rejection of the Second Tranche Development Milestone constituted a material breach of the Licence Agreement.

35. Peraso's achievement of the Second Tranche Development Milestone triggered a payment obligation under which Ubiquiti was obligated to cause Ubiquiti Canada to purchase \$2 million of Class C Shares of Peraso. Ubiquiti and Ubiquiti Canada did not make the required \$2 million investment.

36. Despite Ubiquiti's breach, Peraso continued working towards the Third Tranche Development Milestone in good faith. Peraso expected that, in the absence of a formal objection to the Second Tranche Development Milestone, payment from Ubiquiti would be forthcoming.

37. In July 2019, Ubiquiti started making unilateral requests to change the deliverables and specifications under the Licence Agreement. Peraso carried on working with Ubiquiti in good faith. On or around August 26, 2019, Ubiquiti started making demands that (i) the chipset specifications be changed; and (ii) that it be given joint and equal ownership rights to the intellectual property covered by the Licence Agreement and any related intellectual property. Ubiquiti indicated that it would cause Ubiquiti Canada to withhold the Third Tranche Development Milestone investment of \$8 million in Peraso if its demands were not met, which demands were outside the terms of the Licence Agreement. Peraso and Ubiquiti were unable to come to an agreement with respect to Ubiquiti's demands.

38. On October 31, 2019, Peraso gave proper notice of satisfaction that it achieved the Third Tranche Development Milestone. Accordingly, Ubiquiti had 30 days under section 2.2 of the Licence Agreement to provide a written notice of rejection or acceptance. Once again,

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Ubiquiti did not confirm that the acceptance criteria set forth in the Licence Agreement had been met nor did Ubiquiti provide a written notice of rejection. Ubiquiti did not take the position that the Third Tranche Development Milestone had not been met. Ubiquiti's failure to provide the requisite confirmation constituted a material breach of the Licence Agreement. Ubiquiti did not cause Ubiquiti Canada to make the required \$8 million investment in Peraso.

(iii) Peraso Obtains First Emergency Funding to Replace Funds Committed by Ubiquiti

39. As memorialized in the Licence Agreement and the Subscription Agreement, Peraso expected that if it satisfied the Second Tranche Development Milestone and the Third Tranche Development Milestone on or before October 31, 2019, Ubiquiti would fund Peraso \$10 million in the aggregate. This \$10 million investment was essential for Peraso to continue its operations.

40. Given (i) that Ubiquiti had failed to provide its promised funding upon the achievement of the Second Tranche Development Milestone; (ii) Ubiquiti's indications beginning on or around August 26, 2019 that it would not pay the Third Tranche Development Milestone; and (iii) the fact that Peraso had serious concerns about its solvency if the funding promised by Ubiquiti was not provided, Peraso began to explore potential alternative sources of financing on or about October 1, 2019. Peraso informed Ubiquiti of its exploration of financing options, and invited Ubiquiti (among others) to participate in a term sheet whereby Peraso would issue secured notes (the "**2019 Notes**").

41. After October 31, 2019 (when Peraso gave proper notice of satisfaction that it achieved the Third Tranche Development Milestone), Peraso inquired as to whether Ubiquiti would accept or reject the achievement of the Third Tranche Development Milestone and, if not, whether anything further was required from Peraso. Ubiquiti offered some comments with respect to the deliverable itself (but not Peraso's performance with respect to the deliverable), but ultimately failed to issue a written acceptance or rejection of the achievement of the Third Tranche Development Milestone as required by the Licence Agreement. Ubiquiti also failed to purchase any of the \$10 million of aggregate Class C Shares that it was obligated to purchase following the satisfaction of the Second and Third Tranche Development Milestones.

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42. Throughout this period, Ubiquiti continued to make ownership demands with respect to Peraso's intellectual property. I am advised by Bill McLean, the former CEO of Peraso, that in early December 2019, Ubiquiti advised him that Ubiquiti did not believe that Peraso had a viable financing plan. Peraso understood Ubiquiti to be holding the financial stability of Peraso hostage in exchange for acquiring the intellectual property rights owned by Peraso under the Licence Agreement.

43. Accordingly, and to avoid insolvency, the members of the Peraso Board exercised their business judgment to obtain the necessary financing and completed the issuance of the 2019 Notes in the aggregate principal amount of \$1,748,035.40. The only parties to subscribe to the 2019 Notes were Polar Multi-Strategy Master Fund ("**Polar**") and entities affiliated with Roadmap Capital Inc. ("**Roadmap**"). The 2019 Notes carry an interest rate of 6% per annum and mature on December 31, 2023 (the 2019 Notes originally matured on June 30, 2025 but their terms were amended on March 13, 2020).

44. Despite having the right to participate in the 2019 Notes, Ubiquiti declined to do so.

(iv) Termination of the Licence Agreement and the Licence Litigation

45. On December 11, 2019, Peraso sent a written notice of default to Ubiquiti, demanding cure of its defaults within 30 days. Ubiquiti did not cure the defaults and on January 16, 2020, Peraso terminated the Licence Agreement.

46. On February 6, 2020 Peraso entered into an exclusivity agreement with a potential third-party purchaser (with an exclusivity period ending on March 1, 2020). On or about the same day, Peraso provided notice to Ubiquiti that it had entered into an exclusivity agreement with a potential third-party purchaser.

47. Days later, on February 14, 2020, Ubiquiti filed a complaint against Peraso in the United States District Court for the Southern District of New York ("**SDNY Court**") seeking, among other things: (i) a declaratory judgment holding that the Licence Agreement is in full force and effect; (ii) a declaratory judgment that Peraso is obligated to honour the terms of the Licence Agreement; and (iii) monetary damages (such proceedings in the SDNY Court, the "**Licence Litigation**").

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48. I am advised by Bill McLean that following the commencement of the Licence Litigation, the potential purchaser spoke with Ubiquiti. On or about February 21, 2020, the purchaser informed Peraso that it would not move forward with the acquisition of Peraso without first resolving the Licence Litigation.

49. On March 10, 2020, Ubiquiti filed an amended complaint that, among other things, added Bill McLean, William James Whitaker, Shawn Abbott, David Adderley, Imed Zine-El-Abidine and Riadh Zine-El-Abidine personally as defendants (collectively, the **"Peraso Board Defendants"**). Each of these individuals were members of the Peraso Board at the time Peraso terminated the Licence Agreement.

50. The specific allegations made by Ubiquiti can be found in the pleadings filed by Ubiquiti with the SDNY Court, which are attached hereto and marked as **Exhibit "B"**. In summary, however, Ubiquiti alleges that Peraso and its directors were not entitled to terminate the Licence Agreement and seeks, among other things, a declaration that it is not in breach of its obligations under the Licence Agreement, a declaration that Peraso is obligated to make the chipsets contemplated under the Licence Agreement available to Ubiquiti exclusively, and compensatory damages for an estimated \$5 million as against each of Peraso and its directors.

51. Peraso and the Peraso Board Defendants deny any allegations of wrongdoing made by Ubiquiti and seek by counterclaim, among other things, a declaration that Peraso fulfilled its obligations under the Licence Agreement, a declaration that Ubiquiti failed to fulfill its obligations under section 2.2 of the Licence Agreement, and compensatory and punitive damages arising from the impacts of Ubiquiti's breach of contract (and other duties) on the value of Peraso's business, its goodwill, and its ability to secure financing. Peraso's Answer to First Amended Complaint and Counterclaims is attached hereto and marked as **Exhibit "C"**.

(v) Peraso Obtains Second Emergency Funding to Replace Funds Committed by Ubiquiti

52. By February 2020, Peraso again faced an imminent risk that it would become insolvent. At this time, it was anticipated that by March 13, 2020, Peraso would be unable to meet all of its obligations as they came due, including its payroll obligations.

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53. In response to Peraso's potential insolvency, on February 28, 2020, Messrs. McLean, Whitaker, and Abbott resigned from the Board of Directors of Peraso due to concerns about their exposure to personal liability. Since then, the Peraso Board has been comprised of four individuals: Riadh Zine-El-Abidine (a Roadmap nominee), Imed Zine-El-Abidine (a Roadmap nominee), David Adderley (a Celtic House Venture Partners nominee), and myself.

54. On March 2, 2020, the disinterested members of the Peraso Board (i.e. David Adderley and myself) approved a term sheet authorizing the offering of convertible notes, which were to be backstopped by Roadmap (the "2020 Notes"). The Peraso Board's approval was subject to shareholder approval. The only party to subscribe to the 2020 Notes was Roadmap. The 2020 Notes carry an interest rate of 6% per annum and mature on December 31, 2023.

55. Following board approval, on March 2, 2020, the Peraso Board distributed a Management Information Circular to its shareholders scheduling a shareholder meeting for March 12, 2020 at 8:00 a.m. EST.

56. On March 3, 2020, the Peraso Board distributed a Pre-emptive Rights Notice to its shareholders so that such shareholders could participate on the same terms to subscribe for the 2020 Notes. Ubiquiti declined to participate in this financing.

57. Immediately prior to the close of business on the evening of March 11, 2020—the day before the shareholder meeting—Ubiquiti tendered a bridge loan facility as an alternative source of financing. Ubiquiti's proposal was silent with respect to material terms and contained various conditions that could not be satisfied before March 13, 2020 or at all.

58. Ubiquiti did not attend the March 12, 2020 shareholder meeting where, among other things, shareholders were fully made aware of Ubiquiti's proposal. All of the shareholders present unanimously approved the issuance of the 2020 Notes.

59. On March 13, 2020, the financing closed and Peraso was able to meet certain of its obligations due at that time, including payroll.

(vi) The Oppression Litigation

60. Instead of participating in Peraso's proposed rescue financing, on April 8, 2020, Ubiquiti Canada filed a Statement of Claim with this Court seeking, among other things: (i) a

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declaration that certain steps taken by Peraso in securing financing in March 2020 amounted to oppression pursuant to s. 248 of the *Business Corporations Act* (Ontario); and (ii) a declaration that Peraso's shareholder meeting held on March 12, 2020, and any and all votes taken, and resolutions approved, at that meeting are void (such proceedings, the "**Oppression Litigation**").

61. The Oppression Litigation names Peraso, the Peraso Board Defendants, myself, Roadmap and certain entities affiliated to Roadmap as defendants.

62. Ubiquiti Canada's Statement of Claim is attached hereto and marked as **Exhibit "D"**.

63. On May 29, 2020, Peraso served a Statement of Defence, which is attached hereto and marked as **Exhibit "E"**. Peraso denies the allegations contained in the Oppression Litigation. In particular, Peraso denies that the steps it took to obtain the 2020 Notes amounted to oppression, given that, among other things, the 2020 Notes were issued in good faith and as part of an effort to avoid insolvency. Further, the March 12, 2020 shareholder meeting was properly conducted and Ubiquiti was able to participate in the shareholder meeting but opted not to.

(vii) The Notice Litigation

64. In addition to the Licence Litigation and the Oppression Litigation, on February 19, 2020, Ubiquiti Canada filed a Notice of Application with this Court alleging that Peraso was in default of its obligations to provide Ubiquiti Canada, through an observer appointed by Ubiquiti Canada to observe the Peraso Board, with notices of meetings of the Peraso Board and all written information provided to the Peraso Board or any committee thereof (such litigation, the "**Notice Litigation**").

65. Prior to February 2020, Ubiquiti Canada never sought to exercise its observer rights or sign a relevant Confidential Information and Non-Disclosure Agreement ("**NDA**") as required by the terms of the USA. In fact, the first occasion on which Ubiquiti Canada asserted or raised concerns regarding its observer rights under the USA was in its Notice of Application issued February 21, 2020. That application was resolved on consent and Peraso agreed to provide the materials sought by Ubiquiti. Peraso has requested that the observer execute its form of NDA.

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66. On April 20, 2020, Ubiquiti Canada filed a second Notice of Application with this Court alleging that despite requests from counsel for Ubiquiti Canada, Peraso failed to provide Ubiquiti Canada with access to its books and records required to be maintained pursuant to s. 140(1) of the *Ontario Business Corporations Act*, R.S.O. 1990, c. B.16 ("OBCA"). An initial hearing with respect to this application was heard by this Court, at which time Peraso indicated its intention to provide Ubiquiti with the requested materials. Peraso has since provided Ubiquiti with certain of the requested materials. I understand that at this time, no follow-up hearing has been scheduled.

D. FINANCIAL STATUS

67. A copy of Peraso's audited financial statements as of December 31, 2019 are attached hereto as **Exhibit "F"**. For the fiscal year 2019, Peraso generated \$506,000 in gross revenue, and a net loss of over \$26 million. As a business that is still in its development phase, Peraso's expenses are high (in anticipation of future growth) but its revenues are still low, which results in a large net loss. Peraso's expenses in 2019 included \$10.2 million for research and development and \$1.6 million for marketing.

(i) Assets

68. As at December 31, 2019 (as noted in Peraso's balance sheet attached as Exhibit "F"), Peraso had approximately \$8.9 million of assets on its balance sheet. Approximately \$3 million of assets were property and equipment, \$1.9 million was cash and cash equivalents.

69. In addition, Peraso has approximately 45 patent applications and has been granted approximately 25 patents (many of which are related to next-generation wireless technology).

(ii) Liabilities

70. As at the date of this affidavit, Peraso had liabilities totalling approximately \$6.9 million.

Secured Indebtedness

71. As of late May 2020, Peraso was indebted to Roadmap in the approximate amount of \$1 million and to Polar in the approximate amount of \$748,035.40 on account of the 2019

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Notes. In addition, Peraso owes approximately \$3,885,000 to Roadmap on account of the 2020 Notes.

72. The 2019 Notes and the 2020 Notes rank equally in priority to one another. Both notes are secured by a general security interest in all present and after acquired property and assets of Peraso.

73. Attached hereto as **Exhibit "G"** is a copy of the search of the Ontario Personal Property Security Act Registry conducted on May 24, 2020 in respect of Peraso.

74. Peraso does not maintain any open credit facilities.

Unsecured Indebtedness

75. As at the date of this affidavit, Peraso had unpaid unsecured obligations, (including accounts payable) of approximately \$1.2 million.

76. Further, Ubiquiti is seeking monetary damages from Peraso in amounts in excess of \$5 million in the Licence Litigation. Ubiquiti has not quantified its requested damages with respect to the Oppression Litigation.

E. PERASO'S NEED FOR CCAA PROTECTION

77. Peraso's financial challenges began in 2019 with Ubiquiti's breach of the Licence Agreement and failure to fund its committed investments. Ubiquiti's failure to invest in Peraso upon the completion of the Second and Third Tranche Development Milestones resulted in Peraso not receiving a total of \$10 million of promised investment. This was extremely detrimental to Peraso's financial health, as Peraso had incurred costs under the Licence Agreement with the expectation of receiving the committed investment from Ubiquiti.

78. While the issuance of the 2020 Notes provided Peraso with crucial funding, the 2020 Notes only provided Peraso with enough liquidity to survive until approximately late June 2020. Peraso needs additional financing if it is to continue operating past that date, but it has been unable to obtain financing or consummate any other viable transactions due to, among other things, the on-going Licence Litigation and the Oppression Litigation. That litigation remains far from resolved and, unlike Ubiquiti, Peraso does not, in its current state, have the

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means to continue the litigation (and any other claims Ubiquiti may choose to assert against Peraso).

79. I and certain other directors of Peraso have spoken with multiple potential sources of financing, including at least seven of Peraso's existing shareholders and/or lenders regarding obtaining additional financing for Peraso. All have declined to invest any additional funds into Peraso at this time and outside of a court-approved process.

80. Similarly, Peraso has been unable to commence meaningful discussions with potential purchasers. In addition to the third-party purchaser who terminated discussions in February 2020, Peraso engaged in discussions with another large public US technology company which expressed a strong interest in Peraso's technology; however, that party also advised Peraso that it would not do any type of deal with Peraso while the Licence Litigation remained on-going.

81. In my discussions with potential financiers and purchasers, they have informed me that the Licence Litigation and Oppression Litigation deter them from entering into transactions with Peraso for the following reasons:

- (a) the Licence Litigation brings into question the enforceability of the Exclusivity Clause, which creates uncertainty for investors and acquirors. Peraso is, quite simply, too risky for an investor or acquiror. If, for example, the Exclusivity Clause is enforceable, then Peraso would effectively be limited to selling the products covered by the Exclusivity Clause to Ubiquiti and its affiliates. If Ubiquiti's demand for these products dropped, Peraso could not make up for lost sales by relying on other customers. This is a serious concern because Ubiquiti accounts for approximately 95% of Peraso's component revenue; and
- (b) the Oppression Litigation brings into question Peraso's capitalization structure and the powers of its minority shareholders, which again creates uncertainty. This contributes to the impression that financing Peraso is too risky.

82. Peraso also explored government grants available to companies such as Peraso as potential sources of financing. All applications and discussions regarding such grants made

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enquiries about Peraso's on-going litigation with Ubiquiti. At this time, I do not believe Peraso will be able to obtain any government assistance in the short term, if ever.

83. Further, the COVID-19 pandemic has exacerbated Peraso's (and others') efforts to obtain financing or engage in a strategic transaction because financial markets have become significantly more risk-averse.

84. In summary, the Licence Litigation and the Oppression Litigation impair Peraso's ability to sell its products to customers other than Ubiquiti, deter potential purchasers from acquiring Peraso, and effectively prevent Peraso from obtaining viable financing.

85. The resolution of the Licence Litigation and Oppression Litigation would make Peraso a more attractive candidate for an acquisition or for additional financing. Further, I firmly believe that if the Exclusivity Clause was found to be unenforceable, then Peraso could quickly find new customers and increase its revenue.

86. Given the above, Peraso is seeking CCAA protection to (i) stabilize its liquidity position under Court supervision; and (ii) resolve the claims asserted against it in the Licence Litigation and the Oppression Litigation within these CCAA Proceedings. Once CCAA protection is obtained (and subsequently, once the Licence Litigation and the Oppression Litigation are resolved), I expect Peraso's prospects of raising additional funds and/or finding a purchaser for its assets to improve dramatically. I believe this will result in maximization of value for all of Peraso's stakeholders, including its shareholders.

(i) Peraso is Insolvent

87. Peraso's current revenues for 2020 as of late May are approximately \$2 million. Peraso's monthly cash burn is approximately \$1 million, and it has cash reserves of less than \$1.4 million. Given these factors, Peraso is anticipated to run out of cash by late June 2020 – meaning it will be unable to meet payroll or to fund its continued operations past that date.

(ii) Peraso is a Viable Business

88. Peraso is a viable business. Its products remain at the forefront of the 60 GHz wireless market, and its entry into the 5G wireless market is expected to be similarly successful.

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Overall, Peraso is positioned to be a market leader for the next generation of wireless technology.

(iii) Funding the CCAA Proceedings

89. Peraso is not seeking debtor-in-possession ("**DIP**") financing as part of this Initial Order; however, Peraso anticipates a need for DIP financing in the short term. Peraso has had discussions with parties who indicated they will be prepared to advance funds if CCAA protection is obtained. As such, Peraso intends to return to this Court for approval of DIP financing at a subsequent hearing.

F. CASH FLOWS

90. A four-week cash flow projection (the "**Cash Flow Statement**") was prepared by Peraso in consultation with Ernst & Young Inc. ("**EY**"), the proposed court-approved Monitor in these proceedings (the "**Monitor**"), for the period from May 30, 2020 to the week ending June 26, 2020. During this time, Peraso's estimated primary uses of cash will consist of the payment of ongoing day-to-day operational expenses and professional fees and disbursements in connection with these CCAA Proceedings. A copy of the Cash Flow Statement is attached hereto and marked as **Exhibit "H"**.

91. As of June 26, 2020, Peraso will have an estimated \$55,100 of cash on hand. The Cash Flow Statement projects that, subject to obtaining the relief outlined herein, Peraso will have sufficient cash to fund its projected operating costs until the end of the stay period.

G. CASH MANAGEMENT SYSTEM

92. In the ordinary course of its business, Peraso uses a centralized cash management system (the "**Cash Management System**") to, among other things, collect funds and pay expenses associated with its operations. The Cash Management System gives Peraso the ability to efficiently and accurately track and control corporate funds and ensure cash availability.

93. Peraso maintains two bank accounts with Comerica Incorporated.

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H. THE PROPOSED INITIAL ORDER

(i) Engagement of Ernst & Young Inc.

94. EY has consented to act as the Monitor, subject to Court approval.

95. EY is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* as amended and is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA. I am advised by Maria Konyukhova of Stikeman Elliott LLP, counsel to Peraso, that EY has extensive experience in matters of this nature, including in cross-border restructuring proceedings, and is therefore well-suited to this mandate.

(ii) Reduced Restructuring Provisions in Proposed Initial Order

96. I am advised by counsel that, in line with current practice since the amendments to the CCAA came into force on November 1, 2019, Peraso is seeking a “skinny” form of Initial Order, which seeks only the relief reasonably necessary for the first 10 days until the hearing of the Comeback Motion (as defined below), and does not contain some of the more fulsome restructuring language found in the Initial Order developed by the model order subcommittee of the Commercial List Users’ Committee of the Ontario Superior Court of Justice (the “**Model Initial Order**”). Similar to the Model Initial Order, the proposed Initial Order provides the Monitor with broad powers to, among other things, monitor Peraso’s receipts and disbursements and advise Peraso in the preparation of cash flow statements.

(iii) Administration Charge

97. Peraso seeks a charge on Peraso’s assets, property and undertakings (the “**Property**”) in the maximum amount of C\$200,000 to secure the fees and disbursements incurred in connection with services rendered to Peraso both before and after the commencement of the CCAA Proceedings Canadian and US counsel to Peraso, EY as the proposed Monitor and Canadian and US counsel to the proposed Monitor (the “**Administration Charge**”).

98. Peraso worked with the proposed Monitor to estimate the proposed quantum of the Administration Charge. The proposed Monitor has reviewed the quantum of the Administration Charge and believes it is reasonable and appropriate in view of the

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complexities of Peraso's CCAA Proceedings and the services to be provided by the beneficiaries of the Administration Charge.

99. The proposed Initial Order provides that the Administration Charge shall rank first on the Property of Peraso.

(iv) Directors' Charge

100. Peraso believes that an orderly restructuring will only be possible with the continue participation of the Peraso Board and key management and employees who are essential to the viability of the restructuring of Peraso's business.

101. I am advised by counsel to Peraso and believe that in certain circumstances, directors and officers can be held personally liable for certain obligations of a company, including in respect of amounts owing to (i) employees, including unpaid wages, termination and severance amounts, pension amounts and accrued vacation pay; and (ii) the federal and provincial governments, including payroll remittances, harmonized sales taxes, withholding taxes and workers' compensation remittances.

102. To mitigate liability issues with respect to Peraso's directors and officers ("**Peraso's D&Os**"), Peraso maintains directors' and officers' insurance. At present, Peraso's D&O insurance provides for a total of C\$2 million in coverage. I, along with other directors and officers, am concerned that this amount of insurance may be insufficient if Peraso's D&Os are found responsible for the full amount of the potential liabilities to which they are exposed.

103. Peraso's D&Os have indicated that, due to the potential for significant personal liability, they cannot continue their service and involvement in this restructuring unless the Initial Order grants them certain protections that are commonly granted to directors and officers of companies involved in proceedings under the CCAA.

104. As such, the proposed Initial Order contemplates a charge on the property of the debtor in the amount of C\$650,000 (the "**Directors' Charge**"). The Directors' Charge is proposed to rank second in priority on the Property.

105. I am advised by Ms. Konyukhova that the provisions as they relate to the Directors' Charge are standard provisions that have the effect of staying all proceedings against Peraso's

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D&Os and granting an indemnity with respect to all post-filing claims that may arise against Peraso's D&Os in their capacity as Peraso's D&Os.

106. The Directors' Charge will allow Peraso to continue to benefit from the efforts and knowledge of their director and officers, and it will promote the ongoing stability of Peraso's business during these CCAA Proceedings. Peraso and the proposed Monitor believe the Directors' Charge is reasonable in the circumstances.

107. Finally, it is crucial that the former directors of Peraso be included in the stay of proceedings. As noted above, certain former directors of Peraso are listed as defendants in the Licence Litigation and the Oppression Litigation. As such, it is necessary that these individuals benefit from a stay of proceedings so that the Licence Litigation and Oppression Litigation does not contain as against them while it is stayed against Peraso and its current directors.

(v) Ranking of the Court Ordered Charges

108. The proposed ranking of the court ordered charges is as follows:

- (a) Administration Charge; and
- (b) Directors' Charge.

(vi) Chapter 15 Proceeding

109. Should the Initial Order be granted, Peraso intends to initiate the Chapter 15 Proceedings in the US Court seeking, among other things: (i) recognition of this CCAA proceeding as a foreign main proceeding pursuant to the Bankruptcy Code; (ii) recognition and enforcement of the Initial Order; and (iii) other appropriate relief under the Bankruptcy Code.

110. The proposed Initial Order provides that the Monitor will be appointed as the "foreign representative" for the purposes of the Chapter 15 Proceedings.

111. Peraso's primary connection to the United States is the Licence Litigation, which is being litigated in the SDNY Court because the Licence Agreement is governed by and

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interpreted in accordance with the laws of the State of New York. Additionally, Peraso's counterclaim for damages against Ubiquiti is a substantial United States-based asset.

112. The Chapter 15 Proceedings are necessary to ensure that, if the Initial Order is granted, this Court's stay of proceedings is recognized and enforced in the United States generally and the SDNY Court in particular.

113. Other than the Licence Litigation, Peraso's connection to the United States is largely limited to (i) its Vice President of Finance, who is a United States resident and a full-time employee of Peraso; (ii) two United States-based contractors; and (iii) approximately \$7,500 held as a retainer at Hodgson Russ LLP, US counsel to Peraso. Peraso does not maintain an office in the United States. Substantively the vast majority of Peraso's business operations, employees and assets are located in Ontario.

I. COMEBACK MOTION

114. Peraso intends to return to Court on June 12, 2020 or as soon after that as the Court's availability will permit on notice to the service list for a motion (the "**Comeback Motion**") seeking, among other things:

- (a) expansion of the Initial Order to include the more fulsome restructuring provisions found in the Model Order;
- (b) approval of DIP financing; and
- (c) extending the stay of proceedings granted in the Initial Order.

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I confirm that while connected via video
technology, Ronald Glibbery showed me
the front and back of his government-
issued photo identity document and that
I am reasonably satisfied it is the same
person and the document is current and
valid. I confirm that I have reviewed
each page of this affidavit with Ronald
Glibbery and verify that the pages are
identical.

Affirmed before me by video conference
from the City of Toronto,
Ontario, to the Community of Eugenia
(Grey County), Ontario, on June 2, 2020.

DocuSigned by:

Nicholas Avis

2C12EFAB5242430

Nicholas Avis

Commissioner for Taking Affidavits
in the Province of Ontario

DocuSigned by:

Ronald Glibbery

D41573EF6574469

RONALD GLIBBERY

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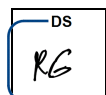


EXHIBIT "A"

EXHIBIT "A"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:
Nephtas Lewis
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Commissioner for Taking Affidavits

PERASO TECHNOLOGIES INC.

**EIGHTH AMENDED AND RESTATED
UNANIMOUS SHAREHOLDERS AGREEMENT**

Made as of December 21, 2018

PERASO TECHNOLOGIES INC.**EIGHTH AMENDED AND RESTATED**
UNANIMOUS SHAREHOLDERS AGREEMENT

THIS EIGHTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT is made as of the 21st of December, 2018 between Peraso Technologies Inc., a corporation incorporated under the laws of the Province of Ontario (the "Corporation"); Sorin Voinigescu, an individual residing in the city of Toronto, in the Province of Ontario ("Voinigescu"); The Voinigescu Family Trust, a trust created in accordance with the laws of the Province of Ontario (the "Voinigescu Family Trust"); Ronald Glibbery, an individual residing in the city of Toronto, in the Province of Ontario ("Glibbery"); The Glibbery Family Trust, a trust created in accordance with the laws of the Province of Ontario (the "Glibbery Family Trust"); each of the holder of Common Shares listed on Schedule "A-1" attached hereto; each Investor listed on Schedule "A" annexed hereto; and any person who becomes a party hereto by executing an acknowledgement in the form annexed hereto as Schedule "B".

RECITALS:

WHEREAS the Family Trusts, Andreea Balteanu ("Balteanu"), Ekaterina Laskin ("Laskin"), Bradley Lynch ("Lynch"), Ioannis Sarkas ("Sarkas"), Alexander Tomkins ("Tomkins") and the Corporation entered into a Shareholders' Agreement made as of January 1, 2009 (the "Prior Shareholders Agreement");

AND WHEREAS on October 1, 2009, the Corporation completed the closing of a financing consisting of the issuance to CHVP III, CHVP SRL, iNovia and VentureLink of Class A Preferred Shares and warrants of the Corporation;

AND WHEREAS the Family Trusts, Balteanu, Laskin, Lynch, Sarkas, Tomkins, CHVP III, CHVP SRL, iNovia, VentureLink and the Corporation entered into a First Amended and Restated Unanimous Shareholders Agreement dated as of October 1, 2009 (the "First Amended Shareholders Agreement") which amended and restated the Prior Shareholders Agreement;

AND WHEREAS on November 19, 2010, the Corporation completed the closing of a financing consisting of the issuance to certain of the Investors of Class B Series 1 Convertible Preferred Shares (Convertible Promissory Notes (as defined therein) in the case of OCGC) and Warrants of the Corporation;

AND WHEREAS CHVP III, CHVP SRL, iNovia, VentureLink, OCGC, the Corporation and certain other signatories thereto entered into a Second Amended and Restated Unanimous Shareholders Agreement dated as of November 19, 2010 (the "Second Amended Shareholders Agreement") which amended and restated the First Amended Shareholders Agreement;

AND WHEREAS in accordance with the terms and conditions of the First Amended Shareholders Agreement all parties to the First Amended Shareholders Agreement were bound by the Second Amended Shareholders Agreement;

AND WHEREAS on July 25, 2012, the Corporation completed the closing of a financing consisting of the issuance to certain of the Investors and CHVP SRL of Class B Series 1 Convertible Preferred Shares of the Corporation;

AND WHEREAS CHVP III, CHVP SRL, iNovia, VentureLink, OCGC, the Corporation and certain other signatories thereto entered into a Third Amended and Restated Unanimous Shareholders Agreement dated as of July 25, 2012 (the "Third Amended Shareholders Agreement") which amended and restated the Second Amended Shareholders Agreement;

AND WHEREAS in accordance with the terms and conditions of the Second Amended Shareholders Agreement all parties to the Second Amended Shareholders Agreement were bound by the Third Amended Shareholders Agreement;

AND WHEREAS on or about December 19, 2012, CHVP SRL transferred all of the Class A Preferred Shares and Class B Preferred Shares held by it in the capital of the Corporation to CHVP U.S.;

AND WHEREAS on June 28, 2013, the Corporation completed the closing of a financing consisting of the issuance to the Investors of Class B Series 1 Convertible Preferred Shares of the Corporation;

AND WHEREAS the Investors, the Corporation and certain other parties thereto entered into a Fourth Amended and Restated Unanimous Shareholders Agreement dated June 28, 2013 (the "Fourth Amended Shareholders Agreement") which amended and restated the Third Amended Shareholders Agreement;

AND WHEREAS in accordance with the terms and conditions of the Third Amended Shareholders Agreement all parties to the Third Amended Shareholders Agreement were bound by the Fourth Amended Shareholders Agreement;

AND WHEREAS, pursuant to the Class B 2015 Subscription Agreement, the Corporation completed a financing consisting of the issuance to each of the CHVP III, CHVP U.S., iNovia II, iNovia II-A, iNovia II-B, VentureLink, OCGC and Roadmap I of Class B Series 1 Convertible Preferred Shares of the Corporation, which financing was completed in four tranches in accordance with the Class B 2015 Subscription Agreement;

AND WHEREAS CHVP III, CHVP U.S., iNovia II, iNovia II-A, iNovia II-B, VentureLink, OCGC, Roadmap, the Corporation and certain other parties thereto entered into a Fifth Amended and Restated Unanimous Shareholders Agreement dated January 10, 2014, as amended on July 11, 2014 and on November 17, 2014 (the "Fifth Amended Shareholders Agreement") which amended and restated the Fourth Amended Shareholders Agreement;

AND WHEREAS in accordance with the terms and conditions of the Fourth Amended Shareholders Agreement all parties to the Fourth Amended Shareholders Agreement were bound by the Fifth Amended Shareholders Agreement;

AND WHEREAS, on September 30, 2014, the Corporation completed the closing of a financing consisting of the issuance to Roadmap LP of Class B Series 1 Convertible Preferred Shares of the Corporation;

AND WHEREAS, on October 28, 2014, the Corporation completed the closing of a financing consisting of the issuance to Roadmap LP and Roadmap US of Class B Series 1 Convertible Preferred Shares of the Corporation;

AND WHEREAS, on November 17, 2014, the Corporation completed the closing of a financing consisting of the issuance to CHVP III, CHVP U.S., VentureLink, OCGC, Roadmap Peraso LP, Roadmap II and Roadmap Innovation of Class B Series 1 Convertible Preferred Shares of the Corporation and the issuance to Roadmap Capital Inc. of certain warrants to purchase Class B Series 1 Convertible Preferred Shares of the Corporation;

AND WHEREAS on March 4, 2016, the Corporation completed the closing of the first tranche of a financing, such tranche consisting of the issuance to IDT of Class C Series 1 Convertible Preferred Shares of the Corporation, and followed by multiple tranches involving the issuance of Class C Series 1 Convertible Preferred Shares to Roadmap, iNovia, CHSVP LP, Qorvo International Pte. Ltd. and Polar Multi-Strategy Master Fund;

AND WHEREAS the Corporation and certain other parties thereto entered into a Sixth Amended and Restated Unanimous Shareholders Agreement dated March 4, 2016, as amended on March 3, 2017 (the "Sixth Amended Shareholders Agreement") which amended and restated the Fifth Amended Shareholders Agreement;

AND WHEREAS in accordance with the terms and conditions of the Sixth Amended Shareholders Agreement all parties to the Fifth Amended Shareholders Agreement were bound by the Sixth Amended Shareholders Agreement;

AND WHEREAS on July 16, 2018, the Corporation completed the closing of the first tranche of a financing, such tranche consisting of the issuance to Qorvo International Pte. Ltd. of Class C Series 1 Convertible Preferred Shares of the Corporation;

AND WHEREAS the Corporation and the Shareholders entered into a Seventh Amended and Restated Unanimous Shareholders Agreement dated July 16, 2018, (the "Seventh Amended Shareholders Agreement") which amended and restated the Sixth Amended Shareholders Agreement;

AND WHEREAS in accordance with the terms and conditions of the Seventh Amended Shareholders Agreement all parties to the Sixth Amended Shareholders Agreement were bound by the Seventh Amended Shareholders Agreement;

AND WHEREAS the parties hereto wish to amend and restate the Seventh Amended Shareholders Agreement, to record their agreement as to the manner in which the Corporation's affairs are to be conducted and to agree upon the terms on which the securities of the Corporation, now or hereafter outstanding and held by them, will be held, transferred and voted;

AND WHEREAS in accordance with the terms and conditions of the Seventh Amended Shareholders Agreement all of the parties to the Seventh Amended Shareholders Agreement shall be bound by this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained the parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms have the meanings set out below:

- (a) “Act” means the *Business Corporations Act* (Ontario), as the same may be amended from time to time;
- (b) “Additional Securities” has the meaning ascribed in Section 6.3(a);
- (c) “Affiliate” has the meaning ascribed to such term in the Act;
- (d) “Agreement” means this Eighth Amended and Restated Unanimous Shareholders Agreement and all attached schedules and all instruments supplemental to or in amendment or confirmation of this Agreement;
- (e) “arm’s length” has the meaning that it has for purposes of the *Income Tax Act* (Canada);
- (f) “Articles” means the articles of incorporation of the Corporation, as amended from time to time;
- (g) “Board” means the board of directors of the Corporation, as the same may be constituted from time to time in accordance with this Agreement;
- (h) “Business Day” means any day except Saturday, Sunday or any statutory holiday in the Province of Ontario;
- (i) “CHSVP LP” means Celtic House SPV II Limited Partnership;
- (j) “CHVP” means CHVP III and CHVP U.S., acting in concert;
- (k) “CHVP III” means Celtic House Venture Partners Fund III L.P.;
- (l) “CHVP SRL” means Celtic House Venture Partners (Barbados) SRL;
- (m) “CHVP U.S.” means Celtic House Venture Partners Fund III (U.S.) L.P.;
- (n) “Class A Preferred Shares” means the Class A Convertible Preferred Shares in the capital of the Corporation;
- (o) “Class B 2012 Subscription Agreement” means the Class B Series 1 Convertible Preferred Share Subscription Agreement dated July 25, 2012 between the Corporation and the Institutional Investors (as at July 25, 2012), as amended from time to time;

- (p) "Class B 2013 Subscription Agreement" means the Class B Series 1 Convertible Preferred Share Subscription Agreement dated June 28, 2013 between the Corporation and the Institutional Investors (as at June 28, 2013), as amended from time to time;
- (q) "Class B 2014 Subscription Agreement" means the Class B Series 1 Convertible Preferred Share Subscription Agreement dated January 10, 2014 between the Corporation and the Institutional Investors (as at January 10, 2014), as amended from time to time;
- (r) "Class B Preferred Shares" means the Class B Convertible Preferred Shares in the capital of the Corporation including, without limitation, the Class B Series 1 Convertible Preferred Shares in the capital of the Corporation;
- (s) "Class C Subscription Agreements" means the Class C Series 1 Convertible Preferred Share Subscription Agreements dated March 4, 2016, or otherwise forming part of the offering of Class C Preferred Shares which had its initial closing on March 4, 2016, between the Corporation and certain of the Institutional Investors, as amended from time to time;
- (t) "Class C Preferred Shares" means the Class C Series 1 Convertible Preferred Shares in the capital of the Corporation;
- (u) "Common Shares" means the Common Shares in the capital of the Corporation;
- (v) "Competitor" means any Person which is, at the relevant time, engaged in the design, development, marketing, sale or licensing of any products or services that are in form and function competitive with any of the products and services that are marketed and sold or licensed by the Corporation or any product or service that is known by a Shareholder to be under development by the Corporation;
- (w) "Control" means: (a) with respect to any corporation, the ownership, beneficially and legally, of voting securities in the capital of such corporation, to which are attached more than fifty percent (50%) of the votes that may be cast to elect the directors of such corporation and such votes are sufficient (if exercised) to elect a majority of the directors; and (b) with respect to a partnership, trust, syndicate or other entity, actual power or authority to manage and direct the affairs of, or ownership of more than fifty percent (50%) of the beneficial interest in such entity;
- (x) "Family Members" means, in respect of an individual, any parent, spouse, child, spouse of a child, grandchild and/or sibling;
- (y) "Family Trusts" means the Voinigescu Family Trust and the Glibbery Family Trust, and "Family Trust" means any one of them;
- (z) "First Amended Shareholders Agreement" has the meaning ascribed in the recitals;
- (aa) "Founders" means Voinigescu and Glibbery, and "Founder" means any one of them;
- (bb) "Founder Shares" means all Common Shares held by the Family Trusts on the date of this Agreement;

- (cc) "Fourth Amended Shareholders Agreement" has the meaning ascribed in the recitals;
- (dd) "Fully Diluted Investor Securities" means the Common Shares issued or issuable as Investor Securities and the Common Shares issued or issuable, directly or indirectly, on the conversion of the Investor Securities (other than any Common Shares issued or issuable pursuant to Section 2.4 of the Class A Preferred Share Subscription Agreement, Section 2.4 of the Class B 2010 Subscription Agreement), as if, at any time prior to the expiry of the Warrants, the Warrants have been exercised to the fullest extent and all underlying securities issued;
- (ee) "Fully Diluted Shares" means the Fully Diluted Investor Securities, the Founder Shares and any other Common Shares issued and outstanding from time to time;
- (ff) "IDT" means Integrated Device Technology Malaysia Sdn Bhd, a Malaysian limited company with a registered address at 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia;
- (gg) "Independent" means an individual: (i) who holds less than one percent (1%) of the Fully Diluted Shares of the Corporation (excluding Shares received as director's compensation, whether directly or on the exercise of an option); (ii) who is not an officer or employee of the Corporation; and (iii) unless otherwise agreed by a Preferred Majority, is not an associate, spouse, officer, director, principal, partner or employee of any Shareholder;
- (hh) "Initial Public Offering" shall mean the Corporation's first underwritten public offering of its Common Shares pursuant to a registration statement that has been declared effective under the United States Securities Act of 1933 or a prospectus filed under applicable Canadian securities laws in respect of which a (final) receipt has been obtained, accompanied by the listing of the Common Shares on the Toronto Stock Exchange and/or the Nasdaq National Market and/or the New York Stock Exchange and/or the London Stock Exchange/AIM and/or any other stock exchange or market approved in writing by a Preferred Majority;
- (ii) "iNovia" means each of iNovia II, iNovia II-A, iNovia II-B and any special purpose vehicle used by any iNovia entity for the purpose of making investments in the Corporation, as applicable, acting in concert;
- (jj) "iNovia II" means iNovia Investment Fund II, Limited Partnership;
- (kk) "iNovia II-A" means iNovia Investment Fund II-A, Limited Partnership;
- (ll) "iNovia II-B" means iNovia Investment Fund II-B, Limited Partnership;
- (mm) "Institutional Investor" means each of CHVP III, CHVP U.S., iNovia, VentureLink, OCGC, Qorvo, Ubiquiti, Roadmap, IDT and Polar and any of their respective Permitted Transferees pursuant to Section 6.4(a), so long as such Institutional Investor holds Investor Securities;
- (nn) "Investor" means each Person listed on Schedule "A" annexed hereto under the heading "Investors", so long as such Person holds Investor Securities, together with any other

Person that becomes a Party to this Agreement as a holder of Investor Securities (including Permitted Transferees of Investor Securities), and "Investors" means all of such Persons collectively;

- (oo) "Investor Nominees" means the CHVP Nominee, the iNovia Nominee, the VentureLink Nominee and the Roadmap Nominee (as each is defined in Section 4.1) and "Investor Nominee" means any one of such Persons;
- (pp) "Investor Securities" means: (i) the Class A Preferred Shares held by the Investors; (ii) the Class C Preferred Shares issued and sold pursuant to the Class C Subscription Agreement; (iii) the Class C Preferred Shares issued and sold pursuant to the Qorvo 2018 Subscription Agreement; (iv) the Class C Preferred Shares issued and sold pursuant to the Ubiquiti 2018 Subscription Agreement; (v) the Class B Series 1 Convertible Preferred Shares issued and sold pursuant to the Roadmap 2014 Subscription Agreements; (vi) the Class B Series 1 Convertible Preferred Shares issued and sold pursuant to the Class B 2014 Subscription Agreement; (vii) the Class B Series 1 Convertible Preferred Shares issued and sold pursuant to the Class B 2013 Subscription Agreement; (viii) the Class B Series 1 Convertible Preferred Shares issued and sold pursuant to the Class B 2012 Subscription Agreement; (ix) the Class B Series 1 Convertible Preferred Shares issued and sold pursuant to the Class B 2010 Subscription Agreement (including, but only if, as and when issued, the Tranche 2 Shares); (x) the Warrant Shares; and (xi) any other securities of the Corporation issued to or otherwise acquired by any of the Investors from time to time (but not including, for greater certainty any Common Shares issued or issuable pursuant to Section 2.4 of the Class A Preferred Share Subscription Agreement or Section 2.4 of the Class B 2010 Subscription Agreement);
- (qq) "License and Development Agreement" means the License and Development Agreement between the Corporation and Ubiquiti Networks, Inc. dated on or about the date hereof, as may be amended or amended and restated from time to time;
- (rr) "Major Shareholder" means OCGC, Qorvo, Ubiquiti, and each Party: (i) holding, or having the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), at least five percent (5%) of the Fully Diluted Shares at the applicable time or (ii) that is a Founder and is either holding, or is a Principal of a Family Trust that is holding, Common Shares comprising at least five percent (5%) of the Fully Diluted Shares at the applicable time;
- (ss) "Master Purchase and Supply Agreement" means the Master Purchase and Supply Agreement between the Corporation and Ubiquiti Cayman Limited dated on or about the date hereof, as may be amended or amended and restated from time to time;
- (tt) "OCGC" means Ontario Capital Growth Corporation;
- (uu) "Ontario Company" means a company that has the following attributes:
 - (i) the company pays 50% or more of its wages, salaries and fees to employees and contractors whose ordinary place of work is a permanent establishment of the company in the Province of Ontario;

- (ii) the majority of the company's full-time employees are located in the Province of Ontario;
- (iii) the majority of the company's Senior Officers maintain their principal residence (within the meaning of the Income Tax Act (Canada)) in the Province of Ontario; and
- (iv) the company is not a reporting issuer;
- (vv) "Ontario Repurchase Price" has the meaning ascribed in Section 5.3(n);
- (ww) "Parties" means, collectively, the Shareholders, the Founders and the Corporation and any other Person that is or becomes a party to this Agreement, and "Party" means any one of them;
- (xx) "Permitted Additional Securities" means:
 - (i) any Common Shares issued or issuable on the exercise of options pursuant to the Stock Plan;
 - (ii) any Additional Securities offered to the public pursuant to a Qualifying Public Offering;
 - (iii) any Additional Securities issued on the conversion of, or as a dividend or distribution on, the Class A Preferred Shares, or, if applicable, as a result of the adjustment of the Conversion Price (as such term is defined in the Articles);
 - (iv) any Additional Securities issued on the conversion of, or as a dividend or distribution on, the Class B Preferred Shares, or, if applicable, as a result of the adjustment of the Conversion Price (as such term is defined in the Articles);
 - (v) any Additional Securities issued on the conversion of, or as a dividend or distribution on, the Class C Preferred Shares, or, if applicable, as a result of the adjustment of the Conversion Price (as such term is defined in the Articles);
 - (vi) any Additional Securities issued in connection with equipment lease financing arrangements, credit arrangements, debt financings, or other commercial transactions approved in good faith by the Board, or otherwise to strategic partners, customers, suppliers, landlords, lenders or lessors pursuant to agreements approved in good faith by the Board (which Board approval must include the affirmative vote or written consent of at least two Investor Nominees), provided, that, any such transaction must be for non-financing purposes;
 - (vii) any Additional Securities issued for consideration other than cash pursuant to a merger, amalgamation, consolidation, or acquisition of a business or any assets or properties or technology, or similar business combination, in any case approved in good faith by the Board (which Board approval must include the affirmative vote or written consent of at least two Investor Nominees);

- (viii) the Tranche 2 Shares and the Warrant Shares;
- (ix) any Common Shares issued or issuable pursuant to Section 2.4 of the Class A Preferred Share Subscription Agreement;
- (x) any Common Shares issued or issuable pursuant to Section 2.4 of the Class B 2010 Subscription Agreement;
- (xi) any securities of the Corporation issued or issuable on the exercise or conversion of any convertible securities issued or issuable by the Corporation after the date of this Agreement;
- (xii) any Class C Preferred Shares issued or issuable pursuant to the Qorvo 2018 Subscription Agreement; and
- (xiii) any Class C Preferred Shares issued or issuable pursuant to the Ubiquiti 2018 Subscription Agreement.
- (yy) "Permitted Transferee" means any Person to whom Securities are transferred pursuant to Section 6.4;
- (zz) "Person" includes any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural Person in his capacity as trustee, executor, administrator, or other legal representative;
- (aaa) "Polar" means Polar Multi-Strategy Master Fund;
- (bbb) "Preferred Approval" has the meaning ascribed to such term in Section 2.6;
- (ccc) "Preferred Majority" means Investors holding, or having the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), not less than two-thirds (2/3) of the Fully Diluted Investor Securities;
- (ddd) "Preferred Shares" means collectively the Class A Preferred Shares, the Class B Preferred Shares and the Class C Preferred Shares;
- (eee) "Principal" means Voinigescu in respect of the Voinigescu Family Trust, and Glibbery in respect of the Glibbery Family Trust;
- (fff) "Prior Shareholders Agreement" has the meaning ascribed to such term in the recitals;
- (ggg) "Qorvo" means Qorvo International Pte. Ltd., or any of its Affiliates or Permitted Transferees;
- (hhh) "Qorvo 2018 Subscription Agreement" means the Class C Series 1 Convertible Preferred Share Subscription Agreement dated July 16, 2018, by and between the Corporation and Qorvo;

- (iii) "Qorvo Competitor" means Skyworks Solutions, Inc., Analog Devices, Inc., Broadcom Limited, Cypress Semiconductor Corporation, MACOM Technology Solutions Holdings Inc., and Texas Instruments Inc., and each of their respective current and former parents, subsidiaries and Affiliates;
- (jjj) "Qualifying Liquidation Event" has the meaning ascribed to such term in Section 10.9(c);
- (kkk) "Qualifying Public Offering" has the meaning given to it in the Articles;
- (III) "Registration Rights Agreement" means the Fifth Amended and Restated Registration Rights Agreement between the Corporation and the Institutional Investors dated as of March 4, 2016, as amended from time to time;
- (mmm) "Roadmap" means each of Roadmap LP, Roadmap I, Roadmap II, Roadmap Innovation and Roadmap US, acting in concert;
- (nnn) "Roadmap 2014 Subscription Agreements" means, collectively, the Class B Series 1 Convertible Preferred Share Subscription Agreements dated September 30, 2014, October 28, 2014 and November 17, 2014 between the Corporation and the Institutional Investors (as at the applicable date thereof) party thereto, as amended from time to time;
- (ooo) "Roadmap LP" means Roadmap Peraso LP;
- (ppp) "Roadmap I" means Roadmap Innovation Fund I;
- (qqq) "Roadmap II" means Roadmap Innovation Fund II;
- (rrr) "Roadmap Innovation" means Roadmap Innovation Fund (US and Offshore) I;
- (sss) "Roadmap US" means Roadmap Peraso LP (U.S. and Offshore);
- (ttt) "Sale Transaction" has the meaning ascribed to such term in Section 6.7;
- (uuu) "Second Amended Shareholders Agreement" has the meaning ascribed in the recitals;
- (vvv) "Securities" means collectively the Shares and the Warrants;
- (www) "Senior Officer" means any individual holding the office of Vice President or above;
- (xxx) "Shares" means, collectively, the Common Shares, the Class A Preferred Shares, the Class B Preferred Shares and the Class C Preferred Shares;
- (yyy) "Shareholders" means the holders of Common Shares listed on Schedule "A-1" attached hereto and the Investors, together with such other Persons as may become Parties to this Agreement as a shareholder or securityholder of the Corporation, collectively, and "Shareholder" means any one of such Persons individually;
- (zzz) "Special Preferred Majority" means Investors holding, or having the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), not less than 70% of the Fully Diluted Investor Securities;

- (aaaa) "Stock Plan" means the Corporation's stock plan enacted on January 1, 2009 providing for the issuance of Common Shares to eligible employees, consultants, directors, vendors and any other parties approved by the Board, as amended from time to time, together with any such other equity compensation plans of the Corporation approved by the Board and the Preferred Majority in accordance with the terms of this Agreement and the Articles from time to time;
- (bbbb) "Third Amended Shareholders Agreement" has the meaning ascribed in the recitals;
- (cccc) "Tranche 2 Shares" has the meaning ascribed to such term in the Class B 2010 Subscription Agreement;
- (dddd) "Transfer" means any disposition, transfer, sale, exchange, assignment, gift, bequest, disposition, mortgage, hypothecation, charge, pledge, encumbrance, grant of security interest, or any arrangement by which possession, legal title or beneficial ownership passes, directly or indirectly, from one person or entity to another, or to the same person or entity in a different capacity, whether or not voluntary and whether or not for value, and includes any agreement to effect the foregoing;
- (eeee) "Triggering Investor" has the meaning ascribed in Section 5.3(n);
- (ffff) "Triggering Notice" has the meaning ascribed in Section 5.3(n);
- (gggg) "Ubiquiti" means Ubiquiti Networks Canada Inc., or any of its Affiliates or Permitted Transferees;
- (hhhh) "Ubiquiti 2018 Subscription Agreement" means the Class C Series 1 Convertible Preferred Share Subscription Agreement dated the date hereof, by and between the Corporation and Ubiquiti;
- (iiii) "Ubiquiti Competitor" means any Person carrying on business in the same general industry in which Ubiquiti Networks, Inc. carries on business, and each of its current and former parents, subsidiaries and Affiliates;
- (jjjj) "VentureLink" means VentureLink Innovation Fund Inc.;
- (kkkk) "Warrant Shares" means the Class B Preferred Shares and/or any other securities of the Corporation issued or issuable on the exercise of the Warrants; and
- (llll) "Warrants" means the Tranche 2 Warrants (as such terms is defined in the Class B 2010 Subscription Agreement), as such Tranche 2 Warrants may be amended from time to time.

1.2 Additional Definitions

Unless there is something inconsistent in the subject matter or context, or unless otherwise provided in this Agreement, all other words and terms used in this Agreement that are defined in the Act have the meanings set out in the Act.

1.3 Certain Rules of Interpretation

In this Agreement:

- (a) **Consent** - Whenever a provision of this Agreement requires an approval or consent, all such notices of the requirement for approval or consent shall contain a time limit and the consequences if such approval or consent is not delivered within the applicable time limit (which time limit and consequences shall be in accordance with this Agreement, where applicable). If such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified in the notice, the Party whose consent or approval is required is conclusively deemed to have withheld its approval or consent.
- (b) **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, without regard to the province's conflict of law provisions, and each of the Parties irrevocably agrees to submit to the exclusive jurisdiction of the courts of such province for and in connection with any proceedings relating to this Agreement.
- (c) **Headings** - Headings of articles and sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (d) **Including** - Where the word "including" or the word "includes" is used in this Agreement, it means "including (or includes) without limitation".
- (e) **Number and Gender** - Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (f) **Severability** - If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision is, as to such jurisdiction, ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.
- (g) **Time** - Time is of the essence in the performance of the Parties' respective obligations.
- (h) **Time Periods** - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done are 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 following Business Day if the last day of the period is not a Business Day.
- (i) **Currency** - Unless otherwise indicated all dollar amounts referred to in this Agreement, including the symbol "\$", refer to lawful money of Canada.
- (j) **Accounting Principles** - Wherever in this Agreement reference is made to generally accepted accounting principles or GAAP, such reference shall be deemed to be: accounting standards for private enterprises included in Part II of the Chartered Professional Accountants of Canada Handbook; or (ii) if (and only if) unanimously approved by all of the members of the Board, (a) generally accepted accounting principles

applied in the United States as promulgated by the United States Accounting Research Board, Accounting Principles Board and Financial Accounting Standards Board or any successor bodies, applicable as at the date on which such calculation is made or required to be made in accordance with such generally accepted accounting principles or (b) international financial reporting standards applicable in Canada.

ARTICLE 2

PURPOSE AND SCOPE

2.1 Unanimous Shareholder Agreement

- (a) This Agreement is deemed to be a unanimous shareholder agreement within the meaning of the Act, and the power of the directors to manage or supervise the management of the business and affairs of the Corporation is restricted in accordance with the terms of this Agreement.
- (b) No amendment to this Agreement that affects the rights, powers and duties of any of the directors is effective until the directors are given written notice of the proposed amendment and an opportunity to resign.

2.2 Amendment and Restatement of Seventh Amended Shareholders Agreement

The Seventh Amended Shareholders Agreement is hereby amended and restated in the form hereof with effect as of the date hereof.

2.3 Compliance with Agreement

Each Shareholder agrees to vote and act as a shareholder of the Corporation to fulfil the provisions of this Agreement and in all other respects to comply with, and use all reasonable efforts to cause the Corporation to comply with, this Agreement, and to the extent, if any, permitted by law, shall cause its respective nominee(s) as directors of the Corporation to act in accordance with this Agreement. The Shareholders further undertake that they will use their influence as Shareholders to cause such meetings of the Corporation to be held, resolutions passed, by-laws enacted, agreements and other documents signed and acts or things performed or done as may be necessary or desirable to ensure that the provisions of this Agreement are implemented and given full force and effect.

2.4 Compliance by Corporation

The Corporation undertakes to carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

2.5 Conflict with Articles, By-laws or Other Agreements

To the extent permitted by the Act, in the event of any conflict between the provisions of this Agreement and the provisions of the Articles, the by-laws of the Corporation or any other agreement between the Corporation and the Institutional Investors, the provisions of this Agreement shall prevail, and the Shareholders shall vote to amend the Articles and by-laws of the Corporation so as to ensure conformity with the terms of this Agreement.

2.6 Deeming Provision for Preferred Share Approvals

If, pursuant to the Articles, any matter requires the affirmative vote, written consent or other approval of the holders of at least two-thirds (2/3) of the Preferred Shares (a "Preferred Approval"), the Preferred Approval shall only be effective if such Preferred Approval includes the affirmative vote or written consent of a Preferred Majority. If, pursuant to the Articles, any matter requires the affirmative vote, written consent or other approval of the holders of at least 70% of the Preferred Shares (a "Special Preferred Approval"), the Special Preferred Approval shall only be effective if such Special Preferred Approval includes the affirmative vote or written consent of a Special Preferred Majority.

2.7 Intentionally Deleted

2.8 Agreement to Vote Securities

In the event that the Preferred Majority approves any action requiring approval pursuant to Section 8 of the Articles (a "Special Action"), each Shareholder agrees that it shall execute and deliver all deeds, transfers, consents, resolutions, share certificates or other documents as may be necessary to complete the Special Action (including, without limitation, amendments to this Agreement approved by the Preferred Majority but subject to Section 10.5 hereof) and shall vote its Securities (including, without limitation, any Securities that are deemed to have been issued to such Shareholder under the terms of this Agreement for such purpose) in favour of all resolutions relating to the Special Action at any meeting of shareholders of the Corporation and execute all written shareholder and other consents and resolutions relating to the Special Action and the completion of the transaction contemplated thereunder, and, each Shareholder hereby expressly waives any right to dissent with respect to any such actions which are required for the purpose of any such Special Action. Notwithstanding the foregoing, OCGC's obligations to provide indemnities are subject to the *Financial Administration Act* (Ontario) in force from time to time.

2.9 Deemed Exercise of Warrants for Voting Purposes

If a vote, resolution or written consent of the Shareholders of the Corporation (or any group of Shareholders) is required at any time pursuant to the Act, the Articles, this Agreement, the Class B 2010 Subscription Agreement, the Registration Rights Agreement or any other agreement that by its terms is made subject to the provisions of this Section 2.9, such vote shall be taken, or such resolution or written consent shall be obtained, on the basis that all Warrant Shares then issuable on the exercise of the Warrants (and all Common Shares issuable on the conversion of such Warrant Shares), to the extent that the Warrants have not then expired, shall be deemed to have been issued and be outstanding and held by the Investors, as applicable, at the time of the vote or the time the resolution or consent is obtained.

2.10 Guarantee by Principals

Each of the Principals severally, and not jointly, covenants with each of the other Principals and each of the other Parties to: (i) take such actions as may be necessary to cause the Shareholder which it Controls to at all times fully and faithfully to perform and discharge its obligations under this Agreement, the Class A Preferred Share Subscription Agreement, the Class B 2010 Subscription Agreement, the Class B 2012 Subscription Agreement, the Class B 2013 Subscription Agreement, the Class B 2014 Subscription Agreement and the Roadmap 2014 Subscription Agreements and to comply with the laws and conditions of this Agreement, the Class A Preferred Share Subscription Agreement, the Class B 2010 Subscription

Agreement, the Class B 2012 Subscription Agreement, the Class B 2013 Subscription Agreement, the Class B 2014 Subscription Agreement and the Roadmap 2014 Subscription Agreements, and (ii) except by reason of death, remain as a trustee and Principal of, and continue to Control, the Family Trust of which he is the Principal, for so long as such Family Trust is a Shareholder. The foregoing covenants and obligations of the Principals are absolute, unconditional, present and continuing and are in no way conditional or contingent upon any event or circumstance, action or omission which might in any way discharge a guarantor or surety.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES;
FINANCIAL PARTICIPATION IN THE CORPORATION

3.1 Representations and Warranties

Each of the Shareholders and Principals, as applicable, represents and warrants to each other and to the Corporation that:

- (a) such Shareholder at the date hereof, owns beneficially and of record the number of Securities set forth opposite such Shareholder's name on Schedule "A" or Schedule "A-1" attached hereto, as applicable, and that such Securities are not subject to any mortgage, lien, charge, pledge, encumbrance, security interest or adverse claim and that no Person has any rights to become a holder or possessor of any of the Securities or of the certificates representing the same, other than pursuant to any Stock Restriction Agreement (as defined in the Class C Subscription Agreement) to which such Shareholder, or in the case of a Principal, the Family Trust he Controls, is a party;
- (b) if the Shareholder is an individual, that such Shareholder has the capacity to enter into and give full effect to this Agreement;
- (c) such Principal has the capacity to enter into and give full effect to this Agreement;
- (d) such Principal Controls the Family Trust of which he is the Principal;
- (e) if the Shareholder is a corporation, that it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and that it has the corporate power and capacity to own its assets and to enter into and perform its obligations under this Agreement;
- (f) if the Shareholder is a trust, partnership or joint venture, that it is duly constituted under the laws that govern it and that it has the power to own its assets and to enter into and perform its obligations under this Agreement;
- (g) this Agreement has been duly authorized by such Shareholder or Principal, as applicable, and duly executed and delivered by such Shareholder or Principal, as applicable, and constitutes a valid and binding obligation enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;

- (h) that the execution, delivery and performance of this Agreement does not and shall not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the documents by which such Shareholder was created or established or the provisions of any indenture, agreement or other instrument to which such Shareholder or Principal, as applicable, is a party or by which such Shareholder or Principal, as applicable, may be bound; and
- (i) that, subject to the terms of this Agreement, all of the foregoing representations and warranties shall continue to be true and correct during the continuance of this Agreement.

3.2 Additional Capital

Except as otherwise unanimously agreed, or as provided in the Class B 2010 Subscription Agreement, none of the Shareholders is obligated to acquire additional Shares or to make loans to the Corporation or guarantee its indebtedness.

ARTICLE 4 MANAGEMENT OF THE CORPORATION

4.1 Board of Directors

Subject to Section 6.8 below, the Corporation shall have a Board consisting of a minimum of five (5) directors and a maximum of seven (7) directors, of which:

- (a) one director shall be the then current Chief Executive Officer of the Corporation (the "CEO Nominee"), who shall initially be Bill McLean;
- (b) one director shall be nominated by the holders of at least a majority of the outstanding Common Shares (the "Common Share Nominee"), who shall initially be Glibbery;
- (c) one director shall be nominated by CHVP (the "CHVP Nominee"), who shall initially be David Adderley;
- (d) one director shall be nominated by iNovia (the "iNovia Nominee"), who shall initially be Shawn Abbott;
- (e) one director shall be nominated by VentureLink (the "VentureLink Nominee"), who shall initially be Jim Whitaker;
- (f) one director shall be nominated by Roadmap (the "Roadmap Nominee"), who shall initially be Imed Zine; and
- (g) one director shall be an Independent nominee (the "Independent Nominee") nominated by the holders of at least a majority of the then outstanding Common Shares and the Fully Diluted Investor Securities, voting together as a single class, who shall initially be Riadh Zine.

Each Shareholder shall vote its Securities to elect the directors nominated in accordance with this Agreement.

4.2 Removal and Replacement of Nominees

Any Shareholder (or group of Shareholders) entitled to nominate and elect a director may remove any such director by notice to such director, the other Shareholders and the Corporation. Any vacancy occurring on the Board by reason of the death, disqualification, inability to act, resignation or removal of any director may be filled only by a further nominee of the Shareholder or Shareholders whose nominee was so affected so as to maintain a Board consisting of the nominees specified in Section 4.1. The Shareholders shall fill any such vacancy by electing as soon as reasonably possible any such further nominee under this Section 4.2.

4.3 Meetings of Board

The Board shall have regularly scheduled meetings at least six (6) times per year during the term of this Agreement. In addition, any director may call a meeting of the Board on at least two (2) Business Days prior notice to the other directors.

4.4 Observers

- (a) From time to time by written notice to the Corporation, OCGC may appoint one observer (an "OCGC Observer") who, upon the execution and delivery of a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation: (i) shall have the right to attend all meetings of the Board and any committees thereof and (ii) shall receive all written information provided to the Board or any committee thereof, which information shall be provided to the OCGC Observer concurrently with the provision of such information to the Board or the applicable committee thereof. OCGC may, at any time, by written notice to the Corporation, appoint a new OCGC Observer in replacement of any previously appointed OCGC Observer. This Section 4.4(a) shall terminate and cease to have any further force and effect in the event that OCGC ceases to hold Securities.
- (b) From time to time by written notice to the Corporation, Roadmap may appoint one observer (an "Roadmap Observer") who, upon the execution and delivery of a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation: (i) shall have the right to attend all meetings of the Board and any committees thereof and (ii) shall receive all written information provided to the Board or any committee thereof, which information shall be provided to the Roadmap Observer concurrently with the provision of such information to the Board or the applicable committee thereof. Roadmap Capital Inc. may, at any time, by written notice to the Corporation, appoint a new Roadmap Observer in replacement of any previously appointed Roadmap Observer. This Section 4.4(b) shall terminate and cease to have any further force and effect in the event that Roadmap ceases to hold Securities.
- (c) From time to time by written notice to the Corporation, IDT may appoint one observer (an "IDT Observer") who, upon the execution and delivery of a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation: (i)

shall have the right to attend all meetings of the Board and any committees thereof and (ii) shall receive all written information provided to the Board or any committee thereof, which information shall be provided to the IDT Observer concurrently with the provision of such information to the Board or the applicable committee thereof. IDT may, at any time, by written notice to the Corporation, appoint a new IDT Observer in replacement of any previously appointed IDT Observer. This Section 4.4(c) shall terminate and cease to have any further force and effect in the event that IDT ceases to hold Securities.

- (d) From time to time by written notice to the Corporation, Qorvo may appoint one observer (a "Qorvo Observer") who, upon the execution and delivery of a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation: (i) shall have the right to attend all meetings of the Board and any committees thereof, (ii) shall be entitled to receive all notices of intended meetings of the Board and all other notices provided to members of the Board from time to time, and (iii) shall receive all written information provided to the Board or any committee thereof, which information shall be provided to the Qorvo Observer concurrently with the provision of such information to the Board or the applicable committee thereof. Qorvo may appoint one alternate Qorvo Observer to attend meetings in place of the Qorvo Observer, provided that such person also executes and delivers a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation, and provided further that the Board may in its reasonable discretion (i) redact from materials otherwise provided to the members of the Board from time information that the Board reasonably determines is highly confidential non-financial competitive information of the Corporation's existing or prospective customers or strategic partners or (ii) remove the Qorvo Observer (or any alternate thereof) from any portion of a meeting of the Board during which such information is or will be disclosed. Qorvo may, at any time, by written notice to the Corporation, appoint a new Qorvo Observer or alternate in replacement of any previously appointed Qorvo Observer or alternate. This Section 4.4(d) shall terminate and cease to have any further force and effect in the event that Qorvo ceases to hold Securities.
- (e) From time to time by written notice to the Corporation, Ubiquiti may appoint one observer (a "Ubiquiti Observer") who, upon the execution and delivery of a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation: (i) shall have the right to attend all meetings of the Board and any committees thereof, (ii) shall be entitled to receive all notices of intended meetings of the Board and all other notices provided to members of the Board from time to time, and (iii) shall receive all written information provided to the Board or any committee thereof, which information shall be provided to the Ubiquiti Observer concurrently with the provision of such information to the Board or the applicable committee thereof. Ubiquiti may appoint one alternate Ubiquiti Observer to attend meetings in place of the Ubiquiti Observer, provided that such person also executes and delivers a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation, and provided further that the Board may in its reasonable discretion (i) redact from materials otherwise provided to the members of the Board from time information that the Board reasonably determines is highly confidential non-financial competitive information of the Corporation's existing or prospective customers or strategic partners or (ii) remove the Ubiquiti Observer (or any alternate thereof) from any

portion of a meeting of the Board during which such information is or will be disclosed. Ubiquiti may, at any time, by written notice to the Corporation, appoint a new Ubiquiti Observer or alternate in replacement of any previously appointed Ubiquiti Observer or alternate. This Section 4.4(e) shall terminate and cease to have any further force and effect in the event that Ubiquiti ceases to hold Securities.

4.5 Notice of Meetings

The Corporation or any director shall notify each member of the Board, the OCGC Observer and, if applicable, any other observer, in writing, of the intended date of any meeting of the Board at least two (2) Business Days prior to the date of such intended meeting. Notice of each meeting of the Board shall be accompanied by an agenda together with copies of any documents to be considered at such meeting.

4.6 Quorum

A quorum for meetings of the Board consists of at least four (4) members of the Board, which must include the presence of at least two (2) Investor Nominees. If a quorum is not obtained at any meeting of the Board, the meeting shall be adjourned and may be reconvened upon two (2) Business Days notice to the directors.

4.7 Committees of the Board

(a) Audit Committee and Compensation Committee.

At the first meeting of the Board following the date of this Agreement, the Board shall appoint (if not already appointed):

- (i) an audit committee (the "Audit Committee"), consisting of no less than three (3) members of the Board, with the authority to review and approve (subject to ultimate approval by the Board) all financial statements and accounting policies of the Corporation and any other matters specified by the Board; and
- (ii) a compensation committee (the "Compensation Committee"), consisting of no less than three (3) members of the Board, with authority over senior management compensation, employee benefits, the grant of stock options and other incentives under the Stock Plan and any other grant or award of equity incentives (subject to the final approval of the Board) to officers, directors, employees or consultants of the Corporation, and any other matters specified by the Board.

(b) Representation on Committees.

At least one member of the Audit Committee and at least one member of the Compensation Committee shall be an Investor Nominee. One Investor Nominee shall also be entitled to be a voting member of any other committee of the Board (a "Special Committee").

(c) Quorum for Committees.

Quorum for a meeting of the Audit Committee, the Compensation Committee or any Special Committee consists of two (2) members of each committee, provided that one of such two (2) members must be an Investor Nominee. If a quorum is not obtained at any meeting, the meeting shall be adjourned and may be reconvened upon two (2) Business Days' notice to the committee members.

4.8 Telephone Meetings

Any or all directors and, subject to Section 4.4, any observer, may participate in a meeting of the Board or any committee thereof by means of such telephone, electronic or other communication facilities as permit all Persons participating in the meeting to hear and communicate with each other simultaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting.

4.9 Expenses of Directors

The Corporation shall pay the reasonable out-of-pocket expenses (including travel and accommodation expenses) incurred by each of the members of the Board (including the Investor Nominees) in connection with the Corporation's business and expenses incurred when any such director is travelling at the request of the Corporation.

4.10 Annual Budget

The Annual Budget (as such term is defined below) in any financial year of the Corporation shall be subject to the approval of the Board (which Board approval must include the affirmative vote or written consent of at least two Investor Nominees).

ARTICLE 5

COVENANTS OF THE CORPORATION

5.1 Information Rights

The Corporation shall prepare and deliver to each of the Major Shareholders:

- (a) as soon as available after the end of each financial year, and in any event within ninety (90) days of the end of each financial year, audited financial statements of the Corporation, including audited consolidated balance sheets of the Corporation and its subsidiaries, if any, as at the end of such financial year, and audited consolidated statements of income, retained earnings and changes in cash flow of the Corporation and its subsidiaries, if any, for such year, setting forth in each case in comparative form the corresponding figures for the previous financial year and the Annual Budget for such financial year, all prepared in accordance with GAAP and accompanied by a report and opinion thereon by the Corporation's auditors, which audit report must state that such consolidated financial position as of such date and the consolidated results of operations and cash flows for the periods indicated, are in conformity with GAAP;

- (b) as soon as available after the end of each three-month period (commencing with the three month period ending on March 31, 2016), and in any event within forty-five (45) days after the end of each such three-month period, unaudited consolidated balance sheets of the Corporation and its subsidiaries, if any, as of the end of such three-month period, and unaudited consolidated statements of income, retained earnings and changes in cash flow of the Corporation and its subsidiaries, if any, for such three-month period and the financial year to date, prepared in accordance with GAAP (subject to normal year-end adjustments and without footnote disclosure), setting forth in comparative form the corresponding figures for the corresponding three-month period of the previous financial year, together with an analysis by management of the results of operations of the Corporation, including a discussion of variances from the Annual Budget;
- (c) as soon as available after the end of each month (commencing with February 2016), and in any event within fifteen (15) days after the end of each such month, unaudited consolidated balance sheets of the Corporation and its subsidiaries, if any, as of the end of such month, and unaudited consolidated statements of income, retained earnings and changes in cash flow of the Corporation and its subsidiaries, if any, for such month and the financial year to date, prepared in accordance with GAAP (subject to normal year-end adjustments and without footnote disclosure), setting forth in comparative form the corresponding figures for the corresponding month of the previous financial year. For greater certainty, the first such balance sheet and statements shall be those as at and for the month ended February 29, 2016 and must be delivered no later than March 15, 2016;
- (d) at least thirty (30) days prior to the commencement of each financial year, the proposed annual budget of the Corporation (the "Annual Budget"), which shall include a reasonably detailed capital expenditure budget and operating budget;
- (e) within five (5) days of receipt of a written request by OCGC, and at or prior to each meeting of the Board, a compliance certificate dated as at the most recently completed month end in the form attached as Schedule "C";
- (f) within 5 Business Days of receipt by the Corporation of any notice advising the Corporation of a material breach of a material contract, a copy of such notice;
- (g) within 90 days after the end of each fiscal year, a written confirmation from the Corporation's auditor that 50% or more of the aggregate wages, salaries and fees paid to the employees and contractors of the Corporation and its subsidiaries, if any, were paid to such employees and contractors whose ordinary place of work is a permanent establishment of the Corporation (or its subsidiaries) in the Province of Ontario;
- (h) within 90 days after the end of each fiscal year, a written confirmation, signed by an officer of the Corporation, that at least 50% of the full-time employees of the Corporation and its subsidiaries, if any, are working in the Province of Ontario;
- (i) within 90 days after the end of each fiscal year, a written confirmation, signed by an officer of the Corporation, that at least 50% of the Corporation's Senior Officers maintain their principal residence (within the meaning of the Income Tax Act (Ontario)) in the Province of Ontario; and

- (j) such other financial and business information as any Major Shareholder may reasonably request from the Corporation from time to time.

5.2 Limitation on Information Rights

Notwithstanding Section 5.1, the Corporation shall not be required to prepare and deliver the information set forth in Sections 5.1(d), 5.1(e), 5.1(f), 5.1(g), 5.1(h), 5.1(i) and 5.1(j) to any Major Shareholder who is a Founder or a Principal, or in the case of a Major Shareholder that is a Family Trust, whose Principal is a Founder or is or was an employee of the Corporation, where such Founder or Principal has ceased or ceases to be a full-time employee of the Corporation.

5.3 Other Covenants

Without limiting any other covenants and provisions hereof, and except to the extent the covenants and provisions of Section 5.1 and this Section 5.3 are waived in any instance by the holders of a Preferred Majority (except Sections 5.1(a), 5.1(b), 5.1(c), 5.1(d), 5.1(e), 5.1(f), 5.1(g), 5.1(h), 5.1(i), 5.3(d), 5.3(l), 5.3(m), 5.3(n), 5.3(o), 5.3(p) and 5.3(q), which shall require the waiver of the Preferred Majority and OCGC (only so long as OCGC continues to hold Securities), the Corporation covenants and agrees that it shall perform and observe the following covenants and provisions, and shall cause each of its subsidiaries, if and when such subsidiary exists, to perform and observe such covenants and provisions. The covenants in this Section 5.3 are for the exclusive benefit of the Investors.

(a) Payment of Taxes and Trade Debt.

The Corporation shall pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or upon its income, profits or business, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any properties of the Corporation; provided, however, that the Corporation shall not be required to pay any such tax, assessment, charge, levy or claim which is being contested in good faith and by appropriate proceedings if the Corporation shall have set aside on its books sufficient reserves, if any, with respect thereto. The Corporation shall pay, when due, or in conformity with customary trade terms, all lease obligations, all trade debt, and all other indebtedness incident to the operations of the Corporation, except such as are being contested in good faith and by proper proceedings if the Corporation shall have set aside on its books sufficient reserves, if any, with respect thereto.

(b) Insurance.

The Corporation shall maintain in good standing directors and officers liability insurance in respect of claims against the directors and officers of the Corporation with terms commensurate with reasonable industry practice for companies similar to the Corporation and otherwise acceptable to a Preferred Majority, and in any case with maximum coverage of not less than \$2,000,000 per individual claim, and shall not assign, transfer, dispose of, surrender, borrow upon or in any way encumber or deal with such insurance. The Corporation shall indemnify each director for claims against such director in his or her capacity as such to the fullest extent permitted by law.

(c) Preservation of Corporate Existence.

The Corporation shall preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified, as a foreign corporation

in each jurisdiction in which such qualification is necessary or desirable in view of its business and operations, prospects or condition (financial or otherwise) or the ownership or lease of its properties. The Corporation shall secure, preserve and maintain, all licenses and other rights to use intellectual property rights owned or possessed by it and deemed by the Corporation to be necessary to the conduct of its business.

(d) Compliance with Laws.

The Corporation shall comply in all material respects with all laws, statutes, ordinances, regulations, rules, judgments, decrees, orders or directives applicable to the Corporation, or the business carried on by the Corporation.

(e) Books and Records.

The Corporation shall keep adequate records and books of account in which complete entries shall be made in accordance with GAAP consistently applied, reflecting all financial transactions of the Corporation, and in which, for each fiscal year, all proper reserves for depreciation, depletion, returns of merchandise, obsolescence, amortization, taxes, bad debts and other purposes in connection with its business shall be made.

(f) Subsidiaries.

The Corporation shall ensure, to the fullest extent permitted by law and using any lawful means necessary, that each subsidiary of the Corporation shall consult with, and abide by the instructions of, the Board with respect to all material decisions.

(g) Financings.

The Corporation shall inform the Board of any negotiations, offers or contracts relating to possible financings of any nature for the Corporation, whether initiated by the Corporation or any other Person, except for (A) arrangements with trade creditors, and (B) utilization by the Corporation of commercial lending arrangements with financial institutions.

(h) Proprietary Information and Inventions Agreements.

The Corporation shall obtain a duly executed agreement relating to proprietary information and assignment of inventions containing terms and conditions no less favourable to the Corporation than the terms and conditions of the form of agreement attached as Exhibit "C" (in the case of consultants) or Exhibit "C-1" (in the case of employees) to the Class C Subscription Agreement, or in such other form as may be approved by the majority of the Board (including the approval of at least one Investor Nominee), from each future employee and consultant of the Corporation on or before his, her or its first day of service to the Corporation.

(i) New Developments.

The Corporation shall, where reasonably practicable, cause all technological developments, patentable or un-patentable inventions, discoveries or improvements by the Corporation's officers or employees to be documented in accordance with the appropriate professional standards and, where possible and deemed by management to be commercially appropriate based on the advice of legal

counsel and other considerations, to file and prosecute Canadian, United States and foreign patent or copyright applications relating to and protecting such developments on behalf of the Corporation.

(j) Stock Plan.

Unless otherwise approved by the Board (which approval must include the approval of at least one Investor Nominee), all future grants of stock options or restricted shares to employees and consultants shall vest at the rate of twenty-five percent (25%) per year (in an annual increment for the first year and quarterly thereafter over the subsequent twelve (12) quarters) commencing with the start date of employment or engagement.

(k) Management Rights Letter.

The Corporation shall execute and provide a management rights letter in customary form to any Investor upon request.

(l) Right to Access Information.

Upon 24 hours notice, an Investor, or any of its designated representative(s) who has executed and delivered a Confidential Information and Non-Disclosure Agreement in form and substance acceptable to the Corporation (acting reasonably), may, during normal business hours, and at its own expense, inspect the financial and management records of the Corporation, provided that all such disclosure is subject to Article 8 hereof and provided that access to highly confidential non-financial proprietary information and facilities need not be provided to any Investor that is deemed to be a strategic investor (i.e., an Investor carrying on business in the same general industry in which the Corporation carries on business) in the Corporation, as determined by the Board, acting reasonably.

(m) Ethical Investments.

The Corporation shall not, at any time while OCGC owns any Securities, directly or indirectly, through a subsidiary or otherwise, engage in:

- (i) the sale, marketing or provision of gambling, gambling services or pornography;
- (ii) the production, sale or marketing of tobacco or alcohol products; or
- (iii) the manufacture, sale, distribution or promotion of goods or services that are not legal in the Province of Ontario.

For greater certainty, nothing herein shall be construed as a representation with respect to any activities by the Corporation's customers, provided that the Corporation does not own more than 5% of the issued shares of such customer.

(n) Ontario Company.

If the Corporation ceases to be an Ontario Company while OCGC is a holder of Securities without the prior written consent of OCGC, any Investor (a "Triggering Investor") may require the Corporation, by written notice (the "Triggering Notice") provided to the Corporation, to repurchase all of the Securities

owned by such Triggering Investor for the aggregate purchase price (the "Ontario Repurchase Price") as calculated below.

Within five (5) days of receipt of a Triggering Notice, the Corporation shall give written notice (the "Subsequent Notice") (which shall include a copy of the Triggering Notice) of its receipt of the Triggering Notice to each other Investor that is not already a Triggering Investor. On the thirtieth (30th) Business Day after the date of the Triggering Notice, the Corporation shall repurchase all of the Securities owned by the Triggering Investor and each other Investor who, by written notice delivered to the Corporation and each of the other Investors within fifteen (15) days of the date of the Subsequent Notice, indicates that it wishes to be treated as a Triggering Investor (in which case, any such Investor shall be deemed to be a Triggering Investor named in the Triggering Notice for the purposes of this Section 5.3(n)).

The Ontario Repurchase Price for each Triggering Investor shall be equal to the greater of:

- (i) the Fair Market Value of the Securities owned by such Triggering Investor, determined in accordance with the provisions of this Section 5.3(n); and
- (ii) the aggregate purchase price paid by such Triggering Investor to the Corporation to acquire the Securities owned by such Triggering Investor, plus 10% of such aggregate amount per year such Triggering Investor has owned such Securities, compounded annually, calculated from the date of acquisition of each such Security.

Any amounts payable to Triggering Investors under this Section 5.3(n) shall be paid by the Corporation on a *pari passu* basis as among the Triggering Investors with equal priority regardless of whether the Securities to be repurchased constitute debt or equity. The Investors agree that Section 6 of the Proceeds Sharing Agreement dated as of November 19, 2010 among the Investors and the Corporation, as amended from time to time, shall apply, *mutatis mutandis*, to any payments or distributions that a Triggering Investor receives under this Section 5.3(n). For purposes of this Section 5.3(n), "Fair Market Value of the Securities" shall be the fair market value of the Securities owned by each Triggering Investor (which value shall not apply any 'minority interest' discount to such Securities), as determined by a valuator selected by the holders of a majority in interest of the Securities held by the Triggering Investors and approved by the Corporation that: (A) is independent of the Corporation, all existing and prospective Shareholders and holders of Securities and each of their respective Affiliates and associates (each within the meaning of the *Business Corporations Act* (Ontario)) and (B) has appropriate qualifications. Any repurchase of Securities pursuant to this Section 5.3(n) shall be completed, and the Ontario Repurchase Price payable to each Triggering Investor shall be paid in full, within thirty (30) Business Days of the date of the Initial Triggering Notice. Notwithstanding the foregoing, this Section 5.3(n) shall not apply in the event that the Corporation ceases to be an Ontario Company in connection with the completion of a Qualifying Public Offering. Sections 6.11 and 6.12 of this Agreement shall not apply to any repurchase of Securities pursuant to this Section 5.3(n).

(o) No Collateral Benefits.

- (i) Neither CHVP nor any of its Affiliates shall receive any benefits, directly or indirectly, as a consequence of any transaction with the Corporation (except as specifically set forth in this Agreement, the Class B 2012 Subscription Agreement and/or any other Collateral Documents (as defined in the Class B 2012 Subscription Agreement)) completed by CHVP after the date hereof, unless OCGC

has been offered in writing (the "Participation Notice") the opportunity to receive such benefit (or a benefit of equivalent value) either: (A) pursuant to Section 6.3 of this Agreement; or (B) calculated on a proportionate basis based on the number of Common Shares (calculated on a fully diluted basis) held by each of CHVP and OCGC compared to the total number of Common Shares of the Corporation outstanding (calculated on a fully-diluted basis), in each case as at the applicable time of the transaction between CHVP and the Corporation, provided that any Participation Notice delivered to OCGC under clause (B) above shall remain open for acceptance for a minimum of five (5) Business Days from the date thereof. Notwithstanding the foregoing, OCGC shall not be entitled to receive any benefit under this Section 5.3(o)(i) unless it delivers to CHVP written notice of its intent to participate in the subject transaction within the time limits specified in the Participation Notice and it completes the transaction specified in the Participation Notice on the same terms applicable to CHVP, failing which, in either case, it will be conclusively deemed to have agreed not to accept any benefits resulting from the transaction specified in the Participation Notice.

- (ii) Except in connection with any transaction involving the issuance of Permitted Additional Securities described in Sections 1.1(xx)(vi) or 1.1(xx)(vii) of this Agreement, the Corporation shall not enter into, or be party to, any agreement or other instrument with any current or prospective holder of Securities of the Corporation that has the effect of establishing rights in a manner more favourable in any respect to such holder than the rights established in favour of OCGC by this Agreement, other than price per share or security, unless, in any such case, OCGC has been offered in writing (the "Rights Notice") the opportunity to receive such additional rights, which offer shall remain open for acceptance for a minimum of five (5) Business Days from the date thereof. Notwithstanding the foregoing, OCGC shall not be entitled to receive any rights under this Section 5.3(o)(ii), unless it delivers to the Corporation written notice of its intent to participate in the subject transaction within the time limits specified in the Rights Notice and it completes the transaction specified in the Rights Notice on the same terms applicable to the other participants in such transaction, failing which, in either case, it will be conclusively deemed to have agreed not to accept any rights resulting from the transaction specified in the Rights Notice. This Section 5.3(o)(ii) shall not apply to any transaction referred to in Section 5.3(o)(i).

(p) Articles.

The Corporation shall not breach any provision of the Articles.

(q) Payment of Dividends.

Dividends may be declared and accrued in accordance with the Articles.

ARTICLE 6
DEALING WITH SECURITIES

6.1 Restrictions on Transfer of Securities

- (a) Except as provided in Section 6.8(e), no Shareholder shall Transfer any Securities, or any of its rights or obligations under this Agreement, to any Person, except as specifically permitted or required by this Agreement and only in accordance with the terms of this Agreement. The Corporation shall not be required: (A.) to Transfer on its books any Securities, nor (B.) to treat as the owner of the Securities, or otherwise to accord voting or dividend rights to, any transferee to whom the Securities has been Transferred in contravention of this Agreement.
- (b) Except as provided in Section 6.8(e), every Transfer of Securities held by a Shareholder is subject to the conditions that:
 - (i) the proposed transferee, if not already bound by the terms of this Agreement, first agrees, in writing, to become a party to and be bound by the terms of this Agreement by signing an acknowledgment substantially in the form annexed hereto as Schedule "B";
 - (ii) the Transfer is approved in accordance with the Articles; provided, that, any Transfer referred to in Section 6.1(a) or that is otherwise a permitted Transfer pursuant to this Agreement shall be deemed to be consented to by the Shareholders for the purposes of any restrictions on Transfer in the Articles; and
 - (iii) the Shareholder shall have provided the Corporation with written assurances, in form and substance satisfactory to the Corporation, that: (A.) the proposed Transfer is exempt from the registration and prospectus requirements of all applicable securities laws, and (B.) all appropriate action necessary for compliance with applicable securities laws and regulatory policies in connection with such proposed Transfer have been taken.
- (c) The Corporation shall refuse to issue any new Securities to any Person who is not a Party hereto, and the issuance of Securities to any such Person shall not be approved by the Board, until such Person has agreed to become a Party hereto and bound by all the provisions hereof by signing an acknowledgment substantially in the form annexed hereto as Schedule "B". All grantees of options to purchase Shares or securities of the Corporation convertible into Shares shall be required to enter into an appropriate written contractual obligation to become a Party to and bound by this Agreement as a condition to the exercise or conversion of any such options or convertible securities.
- (d) Notwithstanding the foregoing, Section 6.1(b) of this Agreement shall not apply to any Transfer of Securities contemplated by Sections 6.5(i)(iii), 6.5(i)(iv), 6.7, 6.8(d) or 6.13 of this Agreement. By executing this Agreement, each of the Shareholders hereby: (i) consents to any Transfer of Shares pursuant to any Stock Restriction Agreement (as defined in the Class C Subscription Agreement); and (ii) acknowledges and agrees that the consent in clause (i) immediately above shall constitute all necessary approvals of any

such Transfer of Shares contemplated in clause (i) immediately above for the purposes of this Agreement and the Articles.

6.2 Endorsement on Certificates

In addition to such legends as may be required by applicable securities laws, share certificates of the Corporation shall bear the following language either as an endorsement or on the face of such share certificate:

“The securities represented by this certificate are subject to all the terms and conditions of an Eighth Amended and Restated Unanimous Shareholders Agreement made as of December 7, 2018, as it may be amended from time to time, which agreement contains, among other things, restrictions on the right of the holder hereof to transfer or sell the securities. A copy of such agreement is on file at the registered office of the Corporation.”

6.3 Pre-Emptive Rights

- (a) Subject to paragraph (b), if any shares or other securities of the Corporation, or options, rights, warrants or other instruments to purchase shares, or securities convertible into or exchangeable directly or indirectly for shares (including any newly created class or series) (collectively referred to in this Agreement as “Additional Securities”), are to be issued, the Corporation shall first offer such Additional Securities to the Investors by notice given to them of the Corporation’s intention to issue Additional Securities and the number and purchase price of such Additional Securities to be so issued. Each of the Investors may purchase its Pro Rata Share (as such term is defined below) of the Additional Securities so offered. Each Investor’s “Pro Rata Share” of the Additional Securities shall be equal to the total number of Additional Securities so offered, multiplied by the quotient of X/Y, where X is equal to the number of Fully Diluted Investor Securities that the Investor holds and/or has a right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), and Y is equal to the aggregate number of Fully Diluted Investor Securities. Each Investor shall have five (5) Business Days from the date such notice is given to give a notice to the Corporation of such Investor’s intention to purchase all or any of the Additional Securities to which it is entitled and shall indicate in such notice the maximum number of Additional Securities that such Investor is willing to purchase (which number may be greater than or less than its Pro Rata Share). If no such notice is given by an Investor within such five (5) Business Day period, such Investor shall be deemed to have rejected the offer to purchase such Additional Securities. If any Investor does not accept its full Pro Rata Share, any such unaccepted Additional Securities shall be deemed to have been offered to the Investors who indicated they would accept greater than their respective Pro Rata Share (the “Oversubscribed Investors”) and each of such Oversubscribed Investors shall be entitled to acquire such unaccepted Additional Securities, pro rata as between the Oversubscribed Investors based upon the number of Fully Diluted Investor Securities that such Oversubscribed Investors hold and/or have the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) held by such Oversubscribed Investors. The transaction of purchase and sale by the Corporation to the Investors shall be completed

on the date specified by the Board. Any Additional Securities not taken up by the Investors may be issued within ninety (90) days of such Additional Securities having been first offered to the Investors, at not less than the price and on terms no more favourable than the terms offered to the Investors, to such Persons as the Board determines, provided that such Persons agree to be bound by, and become parties to, this Agreement or a Share Restriction Agreement in accordance with Section 6.1(c) above.

- (b) The Corporation may issue Additional Securities without complying with the provisions of subsection (a) of this Section 6.3:
 - (i) if such Additional Securities are Permitted Additional Securities; or
 - (ii) if the application of this Section 6.3 is waived in its entirety in writing by a Preferred Majority.

Notwithstanding the foregoing, in no event shall the Corporation issue or sell any Class C Preferred Shares to a Qorvo Competitor or to an Ubiquiti Competitor.

- (c) Any Investor that is offered and does not purchase at least its full Pro Rata Share of any Additional Securities offered to such Investor pursuant to Section 6.3(a) of this Agreement shall, without any further action by any party, automatically be deemed to be a Waiving Shareholder for the purposes of Section 5(j)(vi) of the Articles, in which case any Preferred Shares held by such Investor at any time and from time to time (and any assignees or transferees of such Preferred Shares) shall not be entitled to receive any price-based anti-dilution adjustments set forth in Section 5(j) of the Articles for any purpose whatsoever from and after the date the Investor is deemed to be a Waiving Shareholder under this Section 6.3(c), including, without limitation, in connection with the first Dilutive Transaction (as defined in the Articles) in connection with which the Investor is deemed to be a Waiving Shareholder and any subsequent Dilutive Transaction, regardless of whether such Investor purchases any Additional Securities offered by the Corporation under any subsequent Dilutive Financing. Notwithstanding the foregoing, this Section 6.3(c) shall not apply if one or more Permitted Transferees of an Investor purchases (either on its own or together with any other Permitted Transferees of such Investor and/or the Investor) at least such Investor's full Pro Rata Share of any Additional Securities offered to such Investor pursuant to Section 6.3(a) of this Agreement.

6.4 Permitted Transfers

- (a) Each Institutional Investor may, after giving notice to the Corporation, Transfer all or any part of the Investor Securities beneficially owned by it to:
 - (i) any Affiliate of such Investor;
 - (ii) any fund under common management or Control with such Investor (or its successor by amalgamation), or whose manager or general partner, as applicable, is the same as or an Affiliate of the manager or general partner of the Investor (or its successor by amalgamation);

- (iii) any shareholder(s), partner(s), member or investor(s) of such Investor where such Transfer is made in connection with a distribution of assets to the shareholders, partners, members or investors of the Investor;
- (iv) any Person in connection with the sale of all or substantially all of the assets of such Investor or the liquidation or dissolution of such Investor; or
- (v) any financial institution that carries on the business of providing equity financing as part of a sale of a portfolio of equity interests by such Investor;

provided, that, each transferee agrees to be bound by, and become a party to, this Agreement in accordance with Section 6.1(c) above.

- (b) Each Shareholder that is not an Institutional Investor may, after giving notice to the Corporation, Transfer all or any part of the Shares beneficially owned by it:

- (i) to a corporation wholly-owned by such Shareholder and/or his Family Members, as applicable; or
- (ii) to a custodian, trustee (including an RRSP, RIF, IRA or similar retirement or investment fund) or other fiduciary for such Shareholder and/or his Family Members, as applicable;
- (iii) to any other Person if such Transfer is effected pursuant to such Shareholder's will or the laws of intestate succession, or
- (iv) in the case of Glibbery or the Glibbery Family Trust, to one or more applicable Institutional Investors, pursuant to the indemnification obligations of Glibbery and the Glibbery Family Trust to such Institutional Investors pursuant to Section 5.14 of the Class B 2012 Subscription Agreement, Section 5.14 of the Class B 2013 Subscription Agreement, Section 5.14 of the Class B 2014 Subscription Agreement or Section 5.14 of the Roadmap 2014 Subscription Agreements (it being understood, for greater certainty, other transfers of shares by Glibbery or the Glibbery Family Trust not related to the aforesaid indemnification obligations remain subject to this Article 6), provided, in the case of (i), (ii) or (iii) above, the transferee agrees to be bound by, and become a party to, this Agreement in accordance with Section 6.1(c). In the event of any such Transfer pursuant to (i) or (ii) above: (A.) the transferring Shareholder shall remain a party to this Agreement; (B.) the transferring Shareholder hereby covenants to take such actions as may be necessary to cause the transferee to at all times fully and faithfully perform and discharge its obligations under this Agreement and to comply with the terms and conditions of this Agreement; and (C.) the transferring Shareholder shall at all times after such Transfer be jointly and severally liable with the transferee for the performance and discharge the transferee's obligations under this Agreement and compliance by the transferee with the terms and conditions of this Agreement.

- (c) Notwithstanding any other provision of this Agreement but subject to Section 6.4(d) below, OCGC may, after giving written notice to the Corporation, transfer all or any part

of the Securities beneficially owned by it to the Crown in right of Ontario or any agency, body or entity thereof provided that each transferee agrees to be bound by and become a party to this Agreement in accordance with Section 6.1(c) above. Upon a transfer by OCGC of its Securities, OCGC shall cease to have any liability or other obligation to the Corporation or the other Shareholders with respect to such transferred Securities under or in connection with this Agreement.

- (d) Notwithstanding any other term of this Agreement, Section 6.5, Section 6.6, Section 6.11 and Section 6.12 of this Agreement shall not apply to any Transfer permitted under paragraphs (a), (b), or (c) of this Section 6.4.

6.5 Right of First Refusal

- (a) If a Shareholder (other than an Investor) (the "Offeror") receives from a third party (the "Third Party"), acting as principal and dealing at arm's length with the Offeror, a bona fide written offer (the "Third Party Offer") to purchase for cash all or any of the Securities then held by the Offeror (the "Offered Securities"), which Third Party Offer the Offeror has accepted (subject to compliance with the provisions of this Section 6.5 and Section 6.6), the Offeror shall deliver a notice in writing (the "Notice of Sale") to the Corporation and the Investors (the "Other Shareholders") offering to sell to the Other Shareholders and the Corporation the Offered Securities at the same price and in all other respects on the same terms and conditions as provided in the Third Party Offer (except that the Notice of Sale shall be deemed to contain the provisions of Section 7.1). The Offeror shall deliver with the Notice of Sale, a true copy of the Third Party Offer and, if the Third Party is a corporation, the names of the principal shareholders (if available), officers and directors of the Third Party and any other material information with respect to the Third Party in the possession of the Offeror. The offer contained in the Notice of Sale shall be irrevocable except with the consent of a Preferred Majority (which shall include, for so long as Section 6.13 remains in effect, Qorvo, for so long as it holds Securities, and Ubiquiti, for so long as it holds Securities) and the Corporation and shall be open for acceptance for a period of ten (10) Business Days (in the case of the Corporation) or twenty (20) Business Days (in the case of the Other Shareholders) after the date upon which the Notice of Sale was delivered to the last of the Other Shareholders (the "Acceptance Period").
- (b) Subject to Section 6.5(c), upon the Notice of Sale being given, the Corporation and the Other Shareholders have the right to purchase all, but not less than all, of the Offered Securities; provided, that, the right of the Other Shareholders, individually or collectively, to purchase the Offered Securities extends only to those Offered Securities that the Corporation does not offer to purchase within the applicable Acceptance Period. The right of the Other Shareholders is shared among the Other Shareholders pro rata based upon the number of Fully Diluted Investor Securities which the Other Shareholders hold and/or have the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) as of the date of the Notice of Sale or in such other proportion as all of the Other Shareholders may agree in writing.
- (c) Upon the Notice of Sale being given, and in the event that the Offeror has not claimed the maximum capital gains deduction available under Section 110.6 of the Income Tax Act

(Canada) (the “ITA”), the Other Shareholders shall first have the option to purchase (allocated on a pro rata basis as among their respective holdings of Fully Diluted Investor Securities), all or a portion of that number of the Offered Securities sufficient to maximize the Offeror’s capital gains deduction available under the ITA, within the applicable Acceptance Period. Any Offered Securities not so purchased by the Other Shareholders in accordance with this Section 6.5(c), shall be thereafter offered to the Corporation and the Other Shareholders in accordance with Section 6.5(b) above.

- (d) Within the applicable Acceptance Period, subject to Section 6.5(c), each of the Corporation and the Other Shareholders may give to the Offeror a notice in writing (an “Acceptance Notice”) accepting the offer contained in the Notice of Sale and specifying the maximum number of the Offered Securities it wishes to acquire (which number, in the case of the Other Shareholders, may be greater than or less than its pro rata entitlement set forth in paragraph (b) above). If no such notice is given by the Corporation or any Other Shareholder, as the case may be, within the applicable Acceptance Period, the Corporation and/or Other Shareholder, as applicable, shall be deemed to have rejected the offer contained in the Notice of Sale. If any Other Shareholder does not deliver an Acceptance Notice within the applicable Acceptance Period or specifies in its Acceptance Notice a number of Securities less than its pro rata entitlement set forth in paragraph (b) above, then any unaccepted Offered Securities are deemed to have been offered, by the Offeror, to such of the Other Shareholders who specified in their Acceptance Notice a desire to acquire a number of the Offered Securities greater than their pro rata entitlement, and each such Other Shareholder is, subject to the maximum number of the Offered Securities specified in its Acceptance Notice, entitled to acquire, as between such Other Shareholders who have delivered Acceptance Notices in accordance with this Section 6.5(d), its pro rata share of the unaccepted Offered Securities based upon the number of Fully Diluted Investor Securities that such Other Shareholders (who have specified in their Acceptance Notices a desire to acquire a number of the Offered Securities greater than their pro rata entitlement) hold or have the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), or in such other proportion as such Other Shareholders agree in writing.
- (e) If the Corporation or the Other Shareholders, or any of them, give Acceptance Notices within the Acceptance Period confirming their agreement to purchase all, but not less than all, of the Offered Securities, the sale of the Offered Securities to the Corporation and/or such Other Shareholders shall be completed within 20 Business Days of the expiry of the Acceptance Period applicable to the Other Shareholders. If the Offeror does not receive Acceptance Notices from the Corporation or the Other Shareholders, or any of them, within the Acceptance Period confirming their agreement to purchase all of the Offered Securities, then the rights of the Corporation and/or the Other Shareholders to purchase the Offered Securities shall cease and the Offeror may, subject to Section 6.6, sell the Offered Securities to the Third Party at the price and upon the terms and conditions specified in the Third Party Offer.
- (f) Any Transfer to the Third Party pursuant to this Section must be completed within sixty (60) days following the expiry of the Acceptance Period, failing which the provisions of

this Agreement shall again apply to any proposed Transfer of Securities, and so on from time to time.

- (g) All Acceptance Notices or other notices under this Section 6.5 must be given concurrently to all Other Shareholders and to the Corporation.
- (h) To permit the practical implementation of this Section 6.5, no Securities may be sold by any Shareholder as part of or incidental to the sale of any other assets or any other transaction.
- (i) This Section 6.5 shall not apply if: (i) the Investors exercise the drag-along rights provided in Section 6.7 with respect to the Third Party Offer; (ii) the Transfer is effected pursuant to Section 6.8(d); (iii) the Transfer of Shares is effected pursuant to a written agreement between a Founder or Principal (and/or the Family Trust he Controls) and the Corporation providing for the repurchase of Shares at a price not exceeding the original purchase price thereof upon the termination of the Founder's or Principal's employment or service to the Corporation or its Affiliates; (iv) the Transfer is effected pursuant to a Stock Restriction Agreement (as defined in the Class C Subscription Agreement) or (v) the Transfer is effected pursuant to Section 6.13.
- (j) Notwithstanding the foregoing, this Section 6.5 shall not apply to any Transfer of Securities by an Investor to any Person.

6.6 Co-Sale Rights

- (a) If any Shareholder (other than an Investor) (the "Selling Party") receives a Third Party Offer, after having first complied with any obligations under Section 6.5 of this Agreement to first offer and sell its Securities to the Corporation and/or the Other Shareholders, then, prior to the acceptance of the Third Party Offer, the Selling Party shall notify all of the Investors (the "Remaining Shareholders") of such proposed sale and the terms of such proposed sale and the Selling Party shall, if required by a Remaining Shareholder, obtain from the Third Party a bona fide offer addressed to each of the Remaining Shareholders, on terms and conditions at least as favourable as those contained in the Third Party Offer, to purchase from each Remaining Shareholder (the "Co-Sale Offer"): (i) that number of Fully Diluted Shares that is the same portion of the total number of Fully Diluted Shares which the Remaining Shareholder holds and/or has the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) (as applicable), as the number of Securities proposed to be sold by the Selling Party pursuant to the Third Party Offer bears to the total number of Securities then held by the Selling Party, or (ii) if the Third Party Offer relates to a limited number of Securities only, such limited number of Securities multiplied by the quotient of X/Y, where X is equal to the total number of Fully Diluted Shares then held by the Remaining Shareholder and which the Remaining Shareholder has a right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) (as applicable), and Y is equal to the sum of the limited number of Securities to which the Third Party Offer relates plus the number of Fully Diluted Shares that all Remaining Shareholders desiring to participate in the proposed sale hold and/or have a right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) (as

applicable) and, in the case of a sale of Securities by any Remaining Shareholder(s) under this Section 6.6, the number of Securities to be sold by the Selling Party shall be reduced in order to accommodate the number of Securities to be sold by the Remaining Shareholder(s).

- (b) The Selling Party shall deliver the Co-Sale Offer to the Remaining Shareholders, together with a copy of the Third Party Offer. The Co-Sale Offer shall be irrevocable and shall be open for acceptance by the Remaining Shareholders for thirty (30) days after the delivery thereof to the last of the Remaining Shareholders. If, within such thirty (30) day period, a Remaining Shareholder does not provide the Selling Party with notice of such Remaining Shareholder's intent to accept or reject the Co-Sale Offer, such Remaining Shareholder shall be deemed to have rejected the Co-Sale Offer.
- (c) In the event that a Remaining Shareholder does not own a sufficient number of the class(es) of Securities specified in the Co-Sale Offer to permit it to sell the maximum number of Securities it wishes to sell pursuant to the Co-Sale Offer, then, notwithstanding the foregoing, the Third Party shall, as a condition precedent to its purchase of any Securities, be required to amend the terms of offer set out in the Co-Sale Offer such that the Third Party shall be required to purchase from such Remaining Shareholder the number and class(es) of Securities that such Remaining Shareholder wishes and is entitled to sell pursuant to the Co-Sale Offer (subject to the maximum number of Securities it may sell under the Co-Sale Offer pursuant to Section 6.6(a)).
- (d) The price per share for any Securities in respect of which a co-sale right under this Section 6.6 is exercised will be computed on the basis of an appropriate, reasonable discount or premium related to the terms and conditions of each class of Securities to be sold by the Selling Party and the Remaining Shareholders for which any other class of Securities to be sold by the Selling Party and the Remaining Shareholders are not entitled to.
- (e) This Section 6.6 shall not apply if: (i) the Investors exercise the drag-along rights provided in Section 6.7 with respect to the Third Party Offer; (ii) the Transfer is effected pursuant to Section 6.8(d); (iii) the Transfer of Shares is effected pursuant to a written agreement between a Founder or Principal (and/or the Family Trust he Controls) and the Corporation providing for the repurchase of Shares at a price not exceeding the original purchase price thereof upon the termination of the Founder's or Principal's employment or service to the Corporation or its Affiliates; (iv) the Transfer is effected pursuant to a Stock Restriction Agreement (as defined in the Class C Subscription Agreement); or (v) the Transfer is effected pursuant to Section 6.13.
- (f) Notwithstanding the foregoing, this Section 6.5 shall not apply to any Transfer of Securities by an Investor to any Person.

6.7 Drag Along Rights

- (a) If:
 - (i) an offer is made to the Corporation and/or one or more of the Shareholders by any person (including any Shareholder) that provides for: (A.) any merger, amalgamation, reorganization, consolidation or other transaction involving the

Corporation and any other corporation or other entity or person in which the persons who were the shareholders of the Corporation immediately prior to such merger, amalgamation, reorganization, consolidation or other transaction own less than fifty percent (50%) of the outstanding voting shares of the surviving or continuing entity after such merger, amalgamation, reorganization, consolidation or other transaction; (B.) the sale, exchange or transfer by the Corporation's shareholders, in a single transaction or series of related transactions, of capital shares representing not less than a majority of the outstanding voting shares of the Corporation; or (C.) (x) the sale, lease, license, abandonment, transfer or other disposition of all or substantially all the assets of the Corporation or of all or substantially all of the Corporation's material intellectual property and technology or (y) the exclusive license of all or substantially all of the Corporation's material intellectual property and technology (any transaction referred to in (A.), (B.) or (C.) above being hereinafter referred to as a "Sale Transaction"); and

- (ii) subject to compliance with Section 6.13, the Sale Transaction has been irrevocably accepted, or otherwise approved, by Shareholders (the "Accepting Shareholders") holding, and/or having the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) and any other Preferred Shares then outstanding, not less than sixty percent (60%) of the aggregate number of Common Shares outstanding plus the number of Common Shares issuable on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) and any other Preferred Shares then outstanding, calculated and voting as a single class,

then, upon being notified by the Corporation or such offeror of the names of the Shareholders who have irrevocably accepted or otherwise approved such offer and the number of Securities in respect of which they have irrevocably accepted, or otherwise approved, the Sale Transaction, subject to Sections 6.7(c) and 6.16, each Shareholder: (I.) shall, if the Sale Transaction involves a sale or other tender of Securities, sell all of the Securities held by such Shareholder to the offeror pursuant to the terms of the Sale Transaction in accordance with the offer upon the terms and at the price contained in the offer, (II.) shall vote in favour of (for the purposes of any approval required by the Act, the Articles, this Agreement, any Share Restriction Agreement or otherwise), and otherwise act, to approve the Sale Transaction and any continuance, reorganization or recapitalization or any other change or amendment to the Articles and this Agreement, approved by the Accepting Shareholders, that is necessary or desirable to facilitate the Sale Transaction, as applicable, provided that such continuance, reorganization, recapitalization or other change or amendment does not adversely affect the aggregate proceeds from the Sale Transaction that would otherwise be received by such Shareholder; and (III.) shall provide such representations, warranties, indemnities, covenants, non-compete agreements, escrow agreements and other agreements as may be required by the offeror and agreed by the Accepting Shareholders pursuant to such Sale Transaction, provided that the liability of each Shareholder does not (in the absence of fraud or intentional misrepresentation on its part) exceed its proportionate interest in the proceeds of the Sale Transaction and, in the case of Ubiquiti and IDT, that neither Ubiquiti nor IDT shall be required to provide any covenant or enter into any non-

competition or other agreement where, in the reasonable opinion of Ubiquiti or IDT, as applicable, such covenant or agreement may restrict or interfere with the ability of Ubiquiti or IDT, respectively, to operate its existing or anticipated business operations. To the extent permitted by law, each Shareholder hereby expressly waives any right to dissent or appraisal under applicable laws with respect to the transactions or approvals referred to in clause (II.) above.

- (b) Notwithstanding the foregoing, none of the Investors (nor their respective Permitted Transferees) is required to comply with the terms of this Section 6.7 if:
- (i) the offer to complete the Sale Transaction does not provide that the aggregate proceeds from the Sale Transaction shall be distributed as if such sale constituted a Liquidation Event as defined in the Articles;
 - (ii) any Founder or Principal and/or, in either case, any Family Trust he Controls receives or will receive compensation, directly or indirectly, in connection with the offer: (A.) in excess of an amount for such Founder's Shares that is commensurate on a share-for-share basis with the amount received by each other holder of Common Shares; or (B.) that is not reasonably attributable to such Founder's or Principal's future employment with the Corporation or the Person acquiring the Securities;
 - (iii) the liability of such Investor under the purchase agreement for the Sale Transaction (including, without limitation, liability for a breach of representation or warranty or for a claim under an indemnity) exceeds with respect to such Investor the lesser of such Investor's (A.) pro rata share of any claim; and (B.) the purchase price payable to such Investor; or
 - (iv) the Sale Transaction is conditioned on any requirement by an offeror that would prevent or restrict such Investor's ability to make investments in any business.
- (c) Notwithstanding any other provisions of this Section 6.7, if the consideration to be received by an Investor in connection with the Sale Transaction is comprised of, in whole or in part, any securities of another Person without the express prior written consent of such Investor to participate in such Sale Transaction, such non-consenting Investor (a "Non-Consenting Investor") may require the Corporation to repurchase all (and not less than all) of the Securities owned by the Non-Consenting Investor prior to the Sale Transaction for the Ontario Repurchase Price of such Securities and otherwise in accordance with Section 5.3(n) hereof, unless:
- (i) such securities of the other Person are listed and posted for trading on any of the Toronto Stock Exchange, the New York Stock Exchange, the NASDAQ or any other stock exchange as the Board and a Preferred Majority may approve; or
 - (ii) such Person:
 - (A) is an Ontario Company;

- (B) does not, directly or indirectly through a subsidiary or otherwise, engage in:
- I the sale, marketing or provision of gambling, gambling services or pornography;
 - II the production, sale or marketing of tobacco or alcohol products; or
 - III the manufacture, sale, distribution or promotion of goods or services that are not legal in the Province of Ontario; and
- (C) enters into a written agreement with OCGC and the Non-Consenting Investor containing the covenants set out in Sections 5.3(m) and 5.3(n).

If the Corporation has insufficient funds to repurchase all of the Securities owned by the Non-Consenting Investors who have required the Corporation to repurchase all of their Securities pursuant to this Section 6.7(c), then, such repurchases shall first be made as among such Non-Consenting Investors who are holders of the Preferred Shares on a *pro rata* and *pari passu* basis (but otherwise in accordance with Section 5.3(n) hereof), to the extent funds are then legally available for such repurchases. Thereafter, as and to the extent legally available funds for the repurchase thereof under this Section 6.7(c) exist from time to time, the Corporation shall repurchase the Preferred Shares as among such Non-Consenting Investors, on the same basis set forth above, until all of the Preferred Shares held by such Non-Consenting Investors have been repurchased. Thereafter, as and to the extent legally available funds for the repurchase thereof under this Section 6.7(c) exist from time to time (but only after all of the Preferred Shares held by the Non-Consenting Investors who have required the Corporation to repurchase all of their Securities pursuant to this Section 6.7(c) have been repurchased in accordance with the foregoing), the Corporation shall repurchase, on a *pro rata* basis, any other Securities held by the Non-Consenting Investors who have required the Corporation to repurchase all of their Securities pursuant to this Section 6.7(c).

6.8 Mandatory Sale

If: (a) the Investors request a redemption of the Preferred Shares pursuant to the Articles, and the Corporation fails to redeem such shares in accordance with the Articles (whether such failure is by reason of the insufficiency of the funds of the Corporation legally available for such redemption or otherwise), or (b) the Corporation has not completed an Initial Public Offering on or before July 4, 2021:

- (a) the Preferred Majority shall be entitled to require the CEO Nominee, the Common Share Nominee and the Independent Nominee (or any one of, or any combination of, the foregoing directors) to immediately resign from the Board;
- (b) the size of the Board shall be reduced to such number of directors as the Preferred Majority may agree and Shareholders other than the Preferred Majority shall lose any right to nominate and have elected any director or directors to the Board (provided that

the Board must continue to include the CHVP Nominee, the iNovia Nominee, the Roadmap Nominee and the VentureLink Nominee);

- (c) the Board constituted in accordance with the above shall be permitted to retain an investment advisor, at the expense of the Corporation, and instruct such investment advisor to solicit offers to complete a Sale Transaction;
- (d) the provisions of Section 6.7 (other than Section 6.7(b)(i)) shall apply, *mutatis mutandis*, to all Shareholders in respect of the first offer constituting a Sale Transaction (provided that such offer is on the same terms and conditions (including price), for all shares of the same class) recommended for acceptance by the investment adviser and approved by a Preferred Majority (who shall be deemed to constitute the Accepting Shareholders for the purposes of Sections 6.7 and 10.9). In addition, all Shareholders shall cause, to the extent applicable and permitted by law, their respective nominees on the Board to accept such offer; and
- (e) the Investors shall no longer be bound by the provisions of Section 6.1 with respect to their Investor Securities unless, other than in connection with a Sale Transaction, an Investor proposes a Transfer of Securities in which case the provisions of Sections 6.11 and 6.12 shall apply to the proposed Transfer.

6.9 Consent to Financing

If the Board and a Preferred Majority determine that it is in the best interests of the Corporation to proceed with a debt or equity financing of the Corporation (including, without limitation, an Initial Public Offering) (an "Offering"): (i) each of the Shareholders agrees to exercise the votes attaching to its Securities (including, without limitation, any Securities that are deemed to have been issued to such Shareholder under the terms of this Agreement for such purpose) and otherwise provide any consents or approvals required under the Securities and any other securities of the Corporation held by such Shareholder and to otherwise act to approve any such Offering, including without limitation, approving any required changes or amendments to the Articles (which may include amendments to the capital of the Corporation or amendments to facilitate the issuance or transfer of Securities or other securities of the Corporation under any applicable laws) and this Agreement approved by the Preferred Majority for the purpose of such Offering; and (ii) each Shareholder hereby expressly waives any right to dissent with respect to any changes to the Articles (including, without limitation, any changes described in (i) above) which are required for the purpose of any such Offering.

6.10 Lock-up

If requested in writing by the underwriters for the Initial Public Offering or Qualifying Public Offering of the Corporation, each Shareholder agrees not to Transfer any of its Securities without the consent of such underwriters and a Preferred Majority, for a period not to exceed one hundred and eighty (180) days following the effective date of the registration statement or the date of the final prospectus relating to such offering. This Section 6.10 shall not apply to Transfers by any Investor of its Fully Diluted Investor Securities if such Investor is subject to the market stand-off provisions in Section 7(a) of the Registration Rights Agreement with respect to the Transfer of such Securities.

6.11 Investors Right of First Refusal

- (a) If an Investor (the "Offeror Investor") receives from a Third Party a Third Party Offer to purchase for cash all or any of the Securities then held by the Offeror Investor (the "Offered Investor Securities"), which Third Party Offer the Offeror Investor has accepted (subject to compliance with the provisions of this Section 6.11), the Offeror Investor shall deliver a notice in writing (the "Investor Notice of Sale") to the Corporation and the other Investor(s) (the "Other Investors") offering to sell to the Other Investors the Offered Investor Securities at the same price and in all other respects on the same terms and conditions as provided in the Third Party Offer (except that the Investor Notice of Sale shall be deemed to contain the provisions of Section 7.1). The Offeror Investor shall deliver with the Investor Notice of Sale, a true copy of the Third Party Offer and, if the Third Party is a corporation, the names of the principal shareholders (if available), officers and directors of the Third Party and any other material information with respect to the Third Party in the possession of the Offeror Investor. The offer contained in the Investor Notice of Sale shall be irrevocable except with the consent of a Preferred Majority (which shall include, for so long as Section 6.13 remains in effect, Qorvo, for so long as it holds Securities, and Ubiquiti, for so long as it holds Securities) and shall be open for acceptance for a period of twenty (20) Business Days after the date upon which the Investor Notice of Sale was delivered to the last of the Other Investors (the "Investor Acceptance Period").
- (b) Upon the Investor Notice of Sale being given, the Other Investors have the right to purchase all, but not less than all, of the Offered Investor Securities. The right of the Other Investors is shared among the Other Investors pro rata based upon the number of Fully Diluted Investor Securities which the Other Shareholders hold or have the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) as of the date of the Investor Notice of Sale or in such other proportion as all of the Other Investors may agree in writing.
- (c) Within the Investor Acceptance Period, each of the Other Investors may give to the Offeror Investor a notice in writing (an "Investor Acceptance Notice") accepting the offer contained in the Investor Notice of Sale and specifying the maximum number of the Offered Investor Securities it wishes to acquire (which number may be greater than or less than its pro rata entitlement set forth in paragraph (b) above). If no such Investor Acceptance Notice is given by the Other Investors within the Investor Acceptance Period, the Other Investors shall be deemed to have rejected the offer contained in the Investor Notice of Sale. If any Other Investor does not give an Investor Acceptance Notice within the Investor Acceptance Period or specifies in its Investor Acceptance Notice a number of Securities less than its pro rata entitlement set forth in paragraph (b) above, then any unaccepted Offered Investor Securities are deemed to have been offered, by the Offeror Investor, to such of the Other Investors who specified in their Investor Acceptance Notice a desire to acquire a number of the Offered Investor Securities greater than their pro rata entitlement, and each such Other Investor is, subject to the maximum number of the Offered Investor Securities specified in its Investor Acceptance Notice, entitled to acquire, as between such Other Investors who have delivered Investor Acceptance Notices in accordance with this Section 6.11(c), its pro rata share of the unaccepted Offered Investor Securities based upon the number of Fully Diluted Investor Securities that such Other Investors (who have specified in their Investor Acceptance Notices a desire to acquire a

number of the Offered Securities greater than their pro rata entitlement) hold or have the right to acquire on the exercise of the Warrants and the conversion of the Investor Shares (other than the Warrants), or in such other proportion as such Other Investors agree in writing.

- (d) If Other Investors, or any of them, give Investor Acceptance Notices within the Investor Acceptance Period confirming their agreement to purchase all, but not less than all, of the Offered Investor Securities, the sale of the Offered Investor Securities to such Other Investors shall be completed within twenty (20) Business Days of the expiry of the Investor Acceptance Period applicable to the Other Investors. If the Offeror Investor does not receive Investor Acceptance Notices from the Other Investors, or any of them, within the Investor Acceptance Period confirming their agreement to purchase all of the Offered Investor Securities, then the Offeror Investor shall send written notice to Qorvo and to Ubiquiti providing Qorvo, first, and Ubiquiti, second, the opportunity to purchase the remaining unaccepted Offered Investor Securities (regardless of whether Qorvo and Ubiquiti each previously submitted an Acceptance Notice). Qorvo shall have 5 Business Days from receipt of such notice to submit an Acceptance Notice to the Offeror Investor and provide a copy to Ubiquiti, agreeing to purchase all of the remaining unaccepted Offered Investor Securities. If Qorvo does not timely submit an Acceptance Notice in accordance with the preceding sentence, then Ubiquiti shall subsequently forthwith have 5 Business Days (for further certainty, until the tenth (10th) Business Day following the receipt of the Offeror Investor's written notice) to submit an Acceptance Notice to the Offeror Investor agreeing to purchase all of the remaining unaccepted Offered Investor Securities. If Ubiquiti does not timely submit an Acceptance Notice in accordance with the preceding sentence, then the rights of the Other Investors, Qorvo, and Ubiquiti to purchase the Offered Investor Securities shall cease and the Offeror Investor may, subject to Section 6.12, sell the Offered Investor Securities to the Third Party at the price and upon the terms and conditions specified in the Third Party Offer.
- (e) Any Transfer to the Third Party pursuant to this Section 6.11 must be completed within sixty (60) days following the expiry of the Investor Acceptance Period, failing which the provisions of this Agreement shall again apply to any proposed Transfer of Securities, and so on from time to time.
- (f) All Investor Acceptance Notices or other notices under this Section 6.11 must be given concurrently to all Other Investors and to the Corporation.
- (g) To permit the practical implementation of this Section 6.11, no Securities may be sold by any Investor as part of or incidental to the sale of any other assets or any other transaction.
- (h) This Section 6.11 shall not apply if: (i) the Investors exercise the drag-along rights provided in Section 6.7 with respect to the Third Party Offer; (ii) the Transfer is effected pursuant to Section 6.8(d); or (iii) the Transfer is effected pursuant to Section 6.13. The provisions of this Section 6.11 in favour of Qorvo shall cease to apply if Qorvo ceases to hold Securities and the provisions of this Section 6.11 in favour of Ubiquiti shall cease to apply if Ubiquiti ceases to hold Securities.

6.12 Investors Co-Sale Rights

- (a) If an Offeror Investor receives a Third Party Offer, after having first complied with any obligations under Section 6.11 of this Agreement to first offer and sell its Securities to the Other Investors, then, prior to the acceptance of the Third Party Offer, the Offeror Investor shall notify all of the Other Investors (the "Remaining Investors") of such proposed sale and the terms of such proposed sale and the Offeror Investor shall, if required by any Remaining Investor, obtain from the Third Party a bona fide offer addressed to each such Remaining Investors, on terms and conditions at least as favourable as those contained in the Third Party Offer, to purchase from each such Remaining Investor (the "Investor Co-Sale Offer"): (i) that number of Fully Diluted Shares that is the same portion of the total number of Fully Diluted Shares which the Remaining Investor holds or has the right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), as the number of Securities proposed to be sold by the Offeror Investor pursuant to the Third Party Offer bears to the total number of Fully Diluted Securities then held by the Offeror Investor, or (ii) if the Third Party Offer relates to a limited number of Securities only, such limited number of Securities multiplied by the quotient of X/Y, where X is equal to the total number of Fully Diluted Shares then held by the Remaining Investor and which the Remaining Investor has a right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants), and Y is equal to the sum of the limited number of Securities to which the Third Party Offer relates plus the number of Fully Diluted Shares that all Remaining Investors desiring to participate in the proposed sale hold or have a right to acquire on the exercise of the Warrants and the conversion of the Investor Securities (other than the Warrants) (as applicable) and, in the case of a sale of Securities by any Remaining Investor(s) under this Section 6.12, the number of Securities to be sold by the Offeror Investor shall be reduced in order to accommodate the number of Securities to be sold by the Remaining Investor(s).
- (b) The Offeror Investor shall deliver the Investor Co-Sale Offer to the Remaining Investors, together with a copy of the Third Party Offer. The Investor Co-Sale Offer shall be irrevocable and shall be open for acceptance by the Remaining Investors for thirty (30) days after the delivery thereof to the last of the Remaining Investors. If, within such thirty (30) day period, a Remaining Investor does not provide the Offeror Investor with notice of such Remaining Investor's intent to accept or reject the Investor Co-Sale Offer, such Remaining Investor shall be deemed to have rejected the Investor Co-Sale Offer. A Remaining Investor shall not be required to comply with Section 6.11 or this Section 6.12 in respect of a sale of Securities pursuant to an Investor Co-Sale Offer.
- (c) In the event that a Remaining Investor does not own a sufficient number of the class(es) of Securities specified in the Investor Co-Sale Offer to permit it to sell the maximum number of Securities it wishes to sell pursuant to the Investor Co-Sale Offer, then, notwithstanding the foregoing, the Third Party shall, as a condition precedent to its purchase of any Securities, be required to amend the terms of offer set out in the Investor Co-Sale Offer such that the Third Party shall be required to purchase from such Remaining Investor the number and class(es) of Securities that such Remaining Investor wishes and is entitled to sell pursuant to the Investor Co-Sale Offer (subject to the maximum number of Securities it may sell under the Investor Co-Sale Offer pursuant to Section 6.12(a)).

- (d) The price per share for any Securities in respect of which a co-sale right under this Section 6.12 is exercised will be computed on the basis of an appropriate, reasonable discount or premium related to the terms and conditions of each class of Securities to be sold by the Offeror Investor and the Remaining Investors for which any other class of Securities to be sold by the Offeror Investor and the Remaining Investors are not entitled to.
- (e) This Section 6.12 shall not apply if: (i) the Investors exercise the drag-along rights provided in Section 6.7 with respect to the Third Party Offer; (ii) the Transfer is effected pursuant to Section 6.8(d); or (iii) the Transfer is effected pursuant to Section 6.13.

6.13 Sale Transactions

- (a) Definitions.

Whenever used in this Section 6.13, the following words and terms have the meanings set out below:

"Bona Fide Offer" means the Corporation or any Shareholder receives from any person (including any Shareholder) a bona fide, arm's-length, written offer or written proposal to enter into or concerning any possible Sale Transaction that the Board is willing to accept.

"Solicit" a Sale Transaction means (i) directly or indirectly engage in any negotiations relating to, or which would reasonably be expected to lead to, a Sale Transaction with any Third Party, (ii) solicit, initiate or propose to engage in, or knowingly encourage, facilitate or induce the making, submission or announcement of any such negotiations, (iii) furnish to any Third Party any non-public information relating to the Corporation for the known purpose of assisting or facilitating the making of a Bona Fide Offer or any inquiry, offer or proposal that would reasonably be expected to lead to a Bona Fide Offer, or (iv) execute or enter into any letter of intent, memorandum of understanding or contract contemplating or otherwise relating to a Sale Transaction or otherwise consummate or commit to consummate any Sale Transaction with any Third Party.

- (b) Application of this Section 6.13.

- (i) The provisions of Sections 6.5, 6.6, 6.11 and 6.12 shall not apply to any Third Party Offer to purchase Securities from any Shareholder if such purchase, together with the purchase of Securities from any other Shareholders by such Third Party or any of its Affiliates in any transaction or series of related transactions, would constitute a Sale Transaction, in which case, the provisions of this Section 6.13 shall apply to such Third Party Offer.
- (ii) In no event shall the Corporation or any Shareholders enter into a Sale Transaction except in compliance with this Section 6.13 and Section 6.16.
- (iii) The terms and conditions of this Section 6.13 shall apply to each Bona Fide Offer received by the Corporation or any Shareholder, notwithstanding the receipt of any prior Bona Fide Offer and compliance with this Section in connection with such prior Bona Fide Offer.

- (iv) The provisions of this Section 6.13 shall not limit either Qorvo or Ubiquiti from engaging in any negotiations with the Corporation regarding a Sale Transaction at any time.
- (c) ROFR Notice. If the Corporation and/or one or more of the Shareholders receives a Bona Fide Offer, the Corporation or such Shareholder(s) shall within two (2) Business Days notify Qorvo and Ubiquiti in writing, which notice (the "ROFR Notice") shall describe in reasonable detail (i) the assets, rights and properties that are the subject of the proposed Sale Transaction, (ii) the price and any other material financial and other terms, and any conditions, proposed in connection with such Sale Transaction ("Material Terms"), (iii) to the extent known, the identity of all proposed parties to such Sale Transaction, and (iv) the name of the principal shareholders, members or partners (as applicable and if available), officers and directors (or members of a comparable governing body) of the offeror and any other material information with respect to the offeror in the possession of the person providing such notice and a good faith indication of the level of the Corporation's or the applicable Shareholders' interest in accepting such offer. The Corporation and/or the applicable Shareholder shall also notify Qorvo and Ubiquiti in writing of any offer or proposal that would constitute a Bona Fide Offer except that the Board has not expressed a willingness to accept such offer or proposal, and such notice shall contain the same information as a ROFR Notice but Section 6.13(d), (e) and (f) shall not apply with respect to such notice unless and until such offer or proposal becomes a Bona Fide Offer.
- (d) Rights of First Refusal. The ROFR Notice shall constitute an irrevocable offer to Qorvo, first, and Ubiquiti, second and only if Qorvo does not deliver an Acceptance Notice pursuant to the terms of this Section 6.13(d), to enter into an agreement with the Corporation or the Shareholders, as the case may be, at the same price and on the same Material Terms as such Bona Fide Offer (the "ROFR Offer"), subject to the Corporation's right to seek a Second Bona Fide Offer as set forth herein. At any time prior to the expiration of the twenty (20) day period following Qorvo's receipt of the ROFR Offer (the "ROFR Period"), Qorvo (for itself or for one or more of its Affiliates) and Ubiquiti (for itself or for one or more of its Affiliates) may each accept the ROFR Offer by delivery to the Corporation of a written notice of acceptance containing the Material Terms and any standard and customary conditions applicable to a transaction of this nature, executed by Qorvo or its Affiliates or by Ubiquiti or its Affiliates, as applicable (an "Acceptance Notice"); provided that any Acceptance Notice delivered by Ubiquiti or its Affiliates shall only be effective if Qorvo does not deliver an Acceptance Notice pursuant to the terms of this Section 6.13(d); provided, further, that neither Qorvo and its Affiliates or Ubiquiti and its Affiliates shall be required to accept any non-financial terms or conditions contained in any Material Terms that cannot be fulfilled by Qorvo or its Affiliates or by Ubiquiti or its Affiliates, as applicable, as readily as by any other person or entity (e.g., an agreement conditioned upon the services of a particular person). If Qorvo or Ubiquiti delivers an Acceptance Notice within the ROFR Period, the Corporation may, during the ten (10)-day period following its receipt of the first such Acceptance Notice so received, seek from the person who submitted the initial Bona Fide Offer a second Bona Fide Offer containing Material Terms more favorable than those provided in the initial Bona Fide Offer (a "Second Bona Fide Offer"). If such person delivers a Second Bona Fide Offer within such 10-day period, the procedures set forth in Section 6.13(c) and this Section 6.13(d) shall

again apply; provided if either Qorvo or Ubiquiti did not deliver an Acceptance Notice with respect to the initial ROFR Offer pursuant to the terms of this Section 6.13(d), such party shall not receive a ROFR Offer with respect to the Second Bona Fide Offer and shall not be entitled to deliver an Acceptance Notice with respect to such second ROFR Offer; and provided, further, that if either Qorvo or Ubiquiti timely delivers an Acceptance Notice with respect to the Second Bona Fide Offer, the Corporation shall have no further right to seek a third Bona Fide Offer.

- (e) Exclusivity. During the period from the commencement of the first ROFR Period through the delivery of an Acceptance Notice with respect to a Bona Fide Offer or Second Bona Fide Offer, as the case may be, or the expiration of the ROFR Period with respect to the Bona Fide Offer or Second Bona Fide Offer, as the case may be, the Corporation shall not Solicit any Sale Transaction from any person (including any Shareholder). If, by the expiration of the applicable ROFR Period, neither Qorvo nor Ubiquiti has accepted the applicable ROFR Offer, provided that the Corporation and the Shareholders have complied with all of the provisions of this Section 6.13, then at any time during the one hundred twenty (120) day period following expiration of the applicable ROFR Period, the Corporation shall be permitted to (i) Solicit Third Parties with respect to a Sale Transaction and (ii) consummate a Sale Transaction with a Third Party that is (A) substantially similar, with respect to structure and the assets, rights and properties that are the subject of such Sale Transaction to the proposed Sale Transaction that was described in the ROFR Notice most recently delivered to Qorvo, Ubiquiti or both of them, as the case may be, or to any other proposed Sale Transaction as to which Qorvo or Ubiquiti, on one hand, and the Corporation or the Shareholders, on the other hand, as the case may be (and their respective Affiliates and representatives), had bona fide active discussions during the most recent ROFR Period and (B) otherwise at a price and on other Material Terms that are the same or more favorable to the Corporation and the Shareholders as the Material Terms in the most recent ROFR Offer. If such transaction is not consummated within such one hundred twenty (120) day period, the terms and conditions of this Section 6.13 will again apply.
- (f) Access to Books and Records. During each ROFR Period, the Corporation shall provide Qorvo and Ubiquiti with reasonable and timely access to all books, records, personnel, external advisors, facilities and customers (the timing of such access to personnel and customers to be mutually agreed upon between the Corporation and Qorvo or between the Corporation and Ubiquiti, as the case may be) and to business, financial, legal, regulatory tax, compensation and other data and information concerning the Corporation.
- (g) The provisions of this Section 6.13 shall automatically terminate on the date that is the earlier of (x) December 31, 2020 or (y) the six-month anniversary of the date upon which the Second Closing or Third Closing (in each case as defined under the Qorvo 2018 Subscription Agreement) is determined by the parties not to occur for any reason in accordance with the Qorvo 2018 Subscription Agreement, other than failure by the Corporation to satisfy the conditions set forth in Section 6.2(a)(ii) or Section 6.3(a)(ii) of the Qorvo 2018 Subscription Agreement. The provisions of this Section 6.13 in favour of Qorvo shall cease to apply if Qorvo ceases to hold Securities and the provisions of this Section 6.13 in favour of Ubiquiti shall cease to apply if Ubiquiti ceases to hold Securities.

6.14 Delegation of Rights by Investors

Each Investor may from time to time transfer all or any part of its rights to purchase or acquire securities of the Corporation pursuant to Sections 6.3, 6.5, 6.6, 6.11, 6.12 or 6.13 to one or more Persons who would qualify as a Permitted Transferee of such Investor pursuant to Section 6.4(a), provided that any such Person who so purchases or acquires securities of the Corporation complies with Section 6.1(b).

6.15 Purchases by Regulated Funds

Notwithstanding any other terms of this Agreement, in the case of any agreement by an Investor that is governed by the *Community Small Business Investment Funds Act* (Ontario), as it may be amended from time to time, or any successor legislation thereto (each a "Regulated Fund") to purchase Shares from any Shareholder under the terms of this Agreement, each such Regulated Fund may, at its option and subject to applicable law, require that, to effect such transaction, the Corporation shall redeem or purchase for cancellation such Shares at the agreed upon purchase price and, concurrently therewith, each such Regulated Fund shall subscribe for, and the Corporation shall issue, the same number and kind of Shares at the agreed upon purchase price; provided that this mechanism shall only be effected to the extent neither the applicable Shareholder nor the Corporation suffers any negative tax consequences or additional costs as a result thereof, or each such Regulated Fund agrees to fully compensate by payment of immediately available funds the applicable Shareholder or the Corporation, as applicable, for any such negative tax consequences or material costs at the time of completion of such transaction.

6.16 Covenant in Favour of Ubiquiti

In no event shall the Corporation or any Shareholder enter into a Sale Transaction unless the Person or Persons acquiring the assets or voting securities of the Corporation pursuant to such Sale Transaction execute and deliver to Ubiquiti an Assignment and Assumption Agreement substantially in the form attached hereto as Schedule "D" concurrently with or immediately prior to the closing of such Sale Transaction, pursuant to which such Person or Persons will assume the Corporation's obligations and rights under the License and Development Agreement and the Master Purchase and Supply Agreement.

6.17 Exclusivity of Sections

Each of Sections 6.5, 6.6, 6.7, 6.11, 6.12 and 6.13 are exclusive, and the provisions of such Sections may only be relied upon by any party to this Agreement if the provisions of one of the other of such Sections are not at the same time being relied upon by the same or another Party.

ARTICLE 7

ARRANGEMENTS REGARDING DISPOSITIONS

7.1 Closing

The following provisions apply to any Transfer of Securities between Shareholders or between Shareholders and the Corporation pursuant to this Agreement or pursuant to a Stock Restriction Agreement (as defined in the Class C Subscription Agreement), as applicable, or by a Shareholder who wishes to or is required to sell Securities pursuant to Sections 5.3(n), 6.6, 6.7, 6.8, 6.11 or 6.12 of this Agreement:

- (a) The Transfer shall be completed at the Corporation's registered office on the date specified for closing. At such time, the transferor(s) shall Transfer to the transferee(s) good title to the Securities being transferred free and clear of all liens, charges and encumbrances and deliver to the transferee(s) certificates and other documents of title evidencing ownership of the Securities being transferred, duly endorsed in blank for transfer by the holders of record. In addition, if the transferor is disposing of all or substantially of its Securities, the transferor(s) shall deliver to the Corporation all records, accounts and other documents in its possession belonging to the Corporation and the resignations and releases of its nominees on the Board, all such resignations to be effective no later than the time of delivery. The transferee(s) shall deliver to the transferor(s) full payment of the purchase price (subject to any escrow or holdback requirement) payable for the Securities being transferred.
- (b) If, at the time of closing, a transferor (other than an Investor) fails to complete the subject transaction of purchase and sale, the transferee shall have the right, if not in default under this Agreement, without prejudice to any other rights that it may have, upon payment of that part of the purchase price payable to the transferor at the time of closing to the credit of the transferor in the main branch of the Corporation's bank, to execute and deliver, on behalf of and in the name of the transferor, such deeds, transfers, share certificates, resignations or other documents that may be necessary to complete the subject transaction and the transferor hereby irrevocably appoints the transferee its attorney in that behalf. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the transferor and the transferor hereby ratifies and confirms and agrees to ratify and confirm all that the transferee may lawfully do or cause to be done by virtue of such appointment and power.

7.2 Repayment of Debt

- (a) In the event that at the time of the sale of any Securities under any provision of this Agreement, the vendor thereof is indebted to the Corporation or any Affiliate thereof, the vendor shall assign and set over to the Corporation or such Affiliate and shall direct the purchaser to pay to the Corporation or such Affiliate, if requested by the Corporation to do so, the purchase price of such Securities to the extent required to discharge the vendor's indebtedness to the Corporation or such Affiliate.
- (b) In the event that at the time of the sale of any Securities under any provision of this Agreement, the Corporation or any Affiliate thereof is indebted to the vendor, the Corporation or such Affiliate shall pay all such indebtedness to the vendor (unless it otherwise agrees in writing) at the time of closing herein provided for.

ARTICLE 8 CONFIDENTIALITY

8.1 Confidentiality

No Party shall, at any time or under any circumstances, without the consent of the Corporation and a Preferred Majority, directly or indirectly communicate or disclose to any Person (other than the other Parties and their employees, agents, advisors and representatives) or make use of any confidential

knowledge or information howsoever acquired by such Party relating to or concerning the customers, products, technology, trade secrets, systems or operations, or other confidential information regarding the property, business and affairs of the Corporation (collectively, "Information"), except for:

- (a) Information that becomes generally known in the industry to which the business of the Corporation is related other than through a breach of this Agreement;
- (b) Information that is lawfully obtained from a third party without breach of this Agreement by the Party;
- (c) Information that is reasonably required to be disclosed by a Party to protect its interests in connection with any proposed Transfer of Securities that is pursuant or subject to this Agreement; or
- (d) Information that is required to be disclosed by law or by the applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange, provided that the Party gives the Corporation prompt written notice of the compelled disclosure and cooperates with the Corporation, at the Corporation's expense, in seeking a protective order or any other protections available to limit the disclosure of the Information.

If a Shareholder ceases to hold Securities of the Corporation, the Shareholder shall use all reasonable efforts to ensure that all Information and all copies thereof are either destroyed or returned to the Corporation if the Corporation so requests, and shall not, directly or indirectly, use for the Shareholder's own purposes, any Information discovered or acquired by the Shareholder or the Shareholder's advisors. Each Party's obligations in this Article 8 shall be in addition to and not in derogation of any other obligation of confidentiality owed to the Corporation by the Founders, Principals or other Shareholders who are employees of or consultants to the Corporation.

8.2 Specific Performance

Each of the Parties acknowledges that disclosure of any Information in contravention of Section 8.1 may cause significant harm to the Corporation and that remedies at law may be inadequate to protect against a breach of Section 8.1. Accordingly, each of the Parties acknowledges that the Corporation is entitled, in addition to any other relief available to it, to the granting of injunctive relief without proof of actual damages or the requirement to establish the inadequacy of any of the other remedies available to it. Each of the Parties covenants not to assert any defence in proceedings regarding the granting of an injunction or specific performance based on the availability to the Corporation of any other remedy.

8.3 Exception

The foregoing provisions of this Article 8 are subject to:

- (a) the right of each of CHVP, iNovia, VentureLink, Roadmap and IDT to disclose Information to their respective general partners, limited partners, managers, or any of the directors, officers, employees or advisors of any such parties, provided that such persons agree that the Information so received by them is confidential;

- (b) the right of each of CHVP, iNovia, VentureLink, Roadmap and IDT to publish, report or otherwise announce for marketing purposes, fundraising purposes or reporting purposes, including, without limitation, on their respective web sites, in promotional materials and offering documents, the existence and the value of their respective interests in the Corporation, the general nature of the business of the Corporation and its subsidiaries and its size based on various criteria such as sales or the number of employees; and
- (c) the right of OCGC to make reasonable disclosure of its investment in the Corporation, consistent with Government of Ontario practice related to grants, loans and investments made by the Government of Ontario in private sector entities, and each Shareholder and the Corporation acknowledges and agrees that OCGC is subject to the Freedom of Information and Protection of Privacy Act (Ontario) and as such may be required to disclose this Agreement and any term contained herein in accordance with that Act.

8.4 OCGC Right to Conduct Activities

The Corporation and each of the other Shareholders hereby acknowledge that OCGC may invest in a Competitor. OCGC shall not be liable to the Corporation or any other Shareholder for any claim arising out of, or based on, the investment by OCGC in any Competitor, provided that OCGC will in all such circumstances maintain the confidentiality of all Information provided to OCGC and its representatives in accordance with Sections 8.1, 8.2 and 8.3(c).

ARTICLE 9 POWER OF ATTORNEY

Should any Shareholder (other than an Investor), Founder, Principal or Shareholder who acquires Shares pursuant to the Stock Plan (each such Person hereinafter referred to as an "Employee Party"), in the opinion of the Board, fail to comply or fail to take any action to comply with the provisions of Sections 2.5, 2.8, 2.10, 6.7, 6.8 or 6.9 of this Agreement or Section 5.14 of the Class B 2012 Subscription Agreement or Section 5.14 of the Class B 2013 Subscription Agreement or Section 5.14 of the Class B 2014 Subscription Agreement or Section 5.14 of the Roadmap 2014 Subscription Agreements, then the Secretary of the Corporation shall be deemed to be irrevocably appointed as the true and lawful attorney of such Employee Party with authority to do all things and execute and deliver, on behalf of and in the name of the Employee Party, such deeds, transfers, share certificates, resignations, proxies, resolutions, consents, voting instructions or other documents as may be necessary or desirable to comply with the terms and provisions of Sections 2.5, 2.8, 2.10, 6.7, 6.8 or 6.9 of this Agreement or Section 5.14 of the Class B 2012 Subscription Agreement or Section 5.14 of the Class B 2013 Subscription Agreement or Section 5.14 of the Class B 2014 Subscription Agreement or Section 5.14 of the Roadmap 2014 Subscription Agreements, as applicable, and such Employee Party shall have no claim or cause of action against the Corporation, the Board or the Secretary of the Corporation, or against any third party, as a result of the Secretary of the Corporation so acting as its attorney. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the Employee Party, and the Employee Party hereby ratifies and confirms and agrees to ratify and confirm all that the Secretary of the Corporation may lawfully do or cause to be done by virtue of such appointment and power.

ARTICLE 10

GENERAL

10.1 Application of this Agreement

The terms of this Agreement shall apply mutatis mutandis to any Securities that may hereafter be issued by the Corporation and to any shares or other securities:

- (a) resulting from the conversion, reclassification, re-designation, subdivision, consolidation or other change to the Securities;
- (b) received as a dividend or distribution on or in respect of any such Securities; or
- (c) of the Corporation or any successor body corporate that may be received by the Shareholders on a merger, amalgamation, arrangement or other reorganization of or including the Corporation;

and prior to any action referred to in (a) or (b) above being taken the Parties shall give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this Section 10.1.

10.2 Aggregation of Securities

All of the Securities of each class held or acquired by each Investor and/or any Permitted Transferee of such Investor pursuant to Sections 6.4(a) and 6.4(c) of this Agreement, shall be aggregated together for the purposes of determining the availability of any rights of such Investor under this Agreement.

10.3 Undertaking

The Parties undertake to sign and complete all such deeds, documents, resolutions, minutes and other instruments and to do all such acts as are necessary to give full effect to the terms, conditions and restrictions contemplated by this Agreement and to make them binding on the Parties as well as on third parties who are not privy to the terms hereof.

10.4 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "Notice") must be in writing and is sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by fax:

- (a) in the case of a Notice to the Corporation at:

Peraso Technologies Inc.
144 Front Street West, Suite 685
Toronto, ON M5J 2L7
Attention: President
Fax: 647-977-9098
with a copy to:

LaBarge Weinstein LLP
515 Legget Drive, Suite 800
Kanata, ON K2K 3G4
Attention: Michael Dunleavy
Fax: 613-599-0018

- (b) in the case of a Notice to any Investor, at the address for notice contained in Schedule "A" to the (i) Class B 2014 Subscription Agreement, (ii) Roadmap 2014 Subscription Agreements, or (iii) Class C Subscription Agreement, as applicable;
- (c) in the case of a Notice to any Family Trust, at the address in the records of the Corporation with respect to such Family Trust;
- (d) in the case of a Notice to any Founder or Principal, at the address in the records of the Corporation with respect to such Founder or Principal; and
- (e) in the case of a Notice to any other Shareholder, at the address in the records of the Corporation with respect to such Shareholder.

Any Notice made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by courier, on the second (2nd) Business Day following the deposit thereof with the courier and, if made or given by fax, on the day of transmittal thereof or if the day of transmittal is not a Business Day, the next Business Day following the date of transmittal thereof (provided the original copy is immediately forwarded by courier).

10.5 Amendment

- (a) Subject to Sections 2.8, 6.7, 6.8, 6.9 and 10.5(b) hereof, no amendment, supplement or modification of this Agreement and, unless otherwise specified, no waiver, consent or approval by any Party, is binding unless approved by the Board and approved in writing by a Preferred Majority. Notwithstanding the foregoing, no amendment to: (i) the definitions of Competitor, Family Trusts, Independent and Principal in Section 1.1 of this Agreement, or (ii) Sections 1.1(qq)(ii), 2.10, 4.1(a), 4.1(b), 4.1(f), 4.2, 4.6, 5.1, 5.2, 9, 10.9 or this Section 10.5(a), is binding unless approved by the Board and approved in writing by a Preferred Majority together with the holders of at least 30% of the then outstanding Common Shares. Any amendment, supplement, modification, waiver, consent or approval so approved in accordance with this Section 10.5 shall be binding upon each of the Parties, provided that, the Parties hereby agree to such amendments to Schedule "A" and Schedule "A-1" from time to time as may be necessary to reflect permitted changes in the Shareholders.
- (b) The following provisions (the "OCGC Provisions") of this Agreement shall not be amended without the prior written consent of OCGC:
 - (i) Section 1.1(nn) – "Investor" definition, unless Section 1.1(nn) is required to be amended pursuant to a transaction which is an equity or convertible debt financing of at least \$3,000,000 and which is approved in accordance with Section 6.9 hereof;

- (ii) Section 1.1(rr) – the removal of OCGC from the definition of “Major Shareholder”;
- (iii) Section 1.1(uu) – “Ontario Company” definition;
- (iv) Section 1.1(ccc) – “Preferred Majority” definition, unless Section 1.1(ccc) is required to be amended pursuant to a transaction which is an equity or convertible debt financing of at least \$3,000,000 and which is approved in accordance with Section 6.9 hereof;
- (v) Section 1.1(vvv) – “Securities” definition, unless Section 1.1(vvv) is required to be amended pursuant to a transaction which is an equity or convertible debt financing of at least \$3,000,000 and which is approved in accordance with Section 6.9 hereof;
- (vi) Section 2.5 – Conflict with Articles, Bylaws or Other Agreements;
- (vii) Section 2.6 – Deeming Provision for Preferred Share Approvals;
- (viii) Section 4.4(a) – OCGC Observer;
- (ix) Sections 5.1(f), (g), (h) and (i) – Additional Reporting;
- (x) Section 5.3(d) – Compliance with Laws;
- (xi) Section 5.3(l) – Right to Access Information;
- (xii) Section 5.3(m) – Ethical Investment;
- (xiii) Section 5.3(n) – Ontario Company;
- (xiv) Section 5.3(o) – No Collateral Benefits;
- (xv) Section 5.3(p) – Articles;
- (xvi) Section 5.3(q) – Payment of Dividends;
- (xvii) Section 6.4(c) – Permitted Transfers;
- (xviii) Section 6.7(c) – Drag-Along;
- (xix) Section 6.12 – Investors Co-Sale Rights;
- (xx) Section 8.3(c) – OCGC Permitted Disclosure;
- (xxi) Section 8.4 – OCGC Right to Conduct Activities;
- (xxii) Section 10.1 – Application of this Agreement;
- (xxiii) Section 10.5(b) – Amendment;

- (xxiv) Section 10.9 – Termination;
- (xxv) Section 10.12 – Representations and Warranties and Indemnities by OCGC; and
- (xxvi) Section 10.13 – Paramountcy.

Notwithstanding the foregoing, this Section 10.5(b) shall terminate and cease to be of any further force and effect in the event that OCGC ceases to hold Securities.

- (c) The following provisions of this Agreement shall not be amended or waived without the prior written consent of Qorvo:
 - (i) Section 1.1(mm) – the removal of Qorvo from the definition of “Institutional Investor”;
 - (ii) Section 1.1(rr) – the removal of Qorvo from the definition of “Major Shareholder”;
 - (iii) Section 1.1(xx) – the removal of any Class C Preferred Shares issued or issuable pursuant to the Qorvo 2018 Subscription Agreement from the definition of “Permitted Additional Securities”;
 - (iv) Section 1.1(iii) – “Qorvo Competitor” definition;
 - (v) Section 4.4(d) – Qorvo Observer;
 - (vi) The last sentence of Section 6.3(b) – no issuance to a Qorvo Competitor;
 - (vii) Any other provisions of Article 6 – Dealing with Securities insofar as it affects Qorvo disproportionately;
 - (viii) Section 10.5(c) – Amendment; and
 - (ix) Section 10.9 – Termination (for so long as Section 6.13 remains in effect).

Notwithstanding the foregoing, this Section 10.5(c) shall terminate and cease to be of any further force and effect in the event that Qorvo ceases to hold Securities.

- (d) The following provisions of this Agreement shall not be amended or waived without the prior written consent of Ubiquiti:
 - (i) Section 1.1(mm) – the removal of Ubiquiti from the definition of “Institutional Investor”;
 - (ii) Section 1.1(rr) – the removal of Ubiquiti from the definition of “Major Shareholder”;
 - (iii) Section 1.1(xx) – the removal of any Class C Preferred Shares issued or issuable pursuant to the Ubiquiti 2018 Subscription Agreement from the definition of “Permitted Additional Securities”;

- (iv) Section 1.1(iiii) – “Ubiquiti Competitor” definition;
- (v) Section 4.4(e) – Ubiquiti Observer;
- (vi) The last sentence of Section 6.3(b) – no issuance to an Ubiquiti Competitor;
- (vii) Section 6.16 – Covenant in Favour of Ubiquiti;
- (viii) Any other provisions of Article 6 – Dealing with Securities insofar as it affects Ubiquiti disproportionately;
- (ix) Section 10.5(c) – Amendment; and
- (x) Section 10.9 – Termination (for so long as Section 6.13 remains in effect).

Notwithstanding the foregoing, this Section 10.5(d) shall terminate and cease to be of any further force and effect in the event that Ubiquiti ceases to hold Securities.

10.6 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by fax or other electronic means, and all such counterparts and facsimiles together constitute one agreement.

10.7 Benefit of the Agreement

This Agreement enures to the benefit of and is binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Parties.

10.8 Assignment

Each Investor shall be entitled, on prior written notice to the Corporation, to assign all of its rights, benefits, remedies and obligations under this Agreement to any Permitted Transferee in accordance with Section 6.4 of this Agreement. Subject to the immediately preceding sentence, and except as expressly provided in this Agreement, none of the Parties to this Agreement may assign its rights, benefits, remedies and obligations under this Agreement without the prior written consent of the Corporation and a Preferred Majority.

10.9 Termination

This Agreement terminates upon the first to occur of:

- (a) the date this Agreement is terminated by the written approval of: (i) the Board; (ii) the holders of a Preferred Majority (which must include (A) OCGC so long as OCGC holds Securities and (B) for so long as Section 6.13 remains in effect, Qorvo, for so long as it holds Securities, and Ubiquiti, for so long as it holds Securities); and (iii) the holders of at least thirty percent (30%) of the then outstanding Common Shares;
- (b) the date that is immediately prior to a Qualifying Public Offering;

- (c) the date of a Liquidation Event (as such term is defined in the Articles) in which the maximum amount payable to the Investors pursuant to Sections 3(a) and 3(b) of the Articles is paid in full with respect to each Preferred Share then held by the Investors, and after which point, the holders of the Preferred Shares would not be entitled to receive any further distributions on account of such Liquidation Event or any other Liquidation Event), assuming for such purpose that the Warrants have been fully exercised (a "Qualifying Liquidation Event"); and
- (d) unless otherwise agreed in writing by the Accepting Shareholders, the date of the consummation of a Sale Transaction.

except that the provisions of Sections 6.10, 6.16, 8.1, 8.2 and 8.3 continue upon a termination of this Agreement.

10.10 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes, replaces, amends and restates in its entirety all previous agreements, term sheets and understandings, including the Seventh Amended Shareholders Agreement, with effect as of the date hereof.

10.11 Remedies

Each Party acknowledges that a violation of any provision of this Agreement will result in immediate and irreparable harm to the other Parties which cannot be compensated adequately by recovery of damages alone and agrees that, in the event of any such violation or threatened violation, the other parties shall, in addition to any other rights or remedies available at law, in equity or otherwise, be entitled to temporary and permanent injunctive relief, specific performance and other equitable remedies.

10.12 Representations and Warranties and Indemnities by OCGC

Notwithstanding any other provision of this Agreement, OCGC shall not, and shall not be required to, make any representations and warranties or to provide any indemnity in respect of any transaction arising from or in connection with matters under this Agreement (including, without limitation, any transactions contemplated by Article 6 of this Agreement), except to the extent such representations and warranties relate solely to OCGC and the ownership of any securities of the Corporation by OCGC and such indemnity relates to any breach of a representation and warranty made by OCGC and is limited to the net proceeds received by OCGC in connection with such transactions.

10.13 Paramountcy

Nothing in this Agreement or any other document entered into by the Corporation shall derogate from any of the OCGC Provisions in this Agreement. In the event of any conflict or inconsistency between the OCGC Provisions and any other term of this Agreement or any other agreement or document, the OCGC Provisions shall prevail to the extent of such conflict or inconsistency.

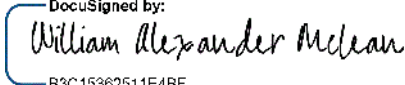
10.14 Independent Legal Advice

Each of the Parties acknowledge that they have been afforded the opportunity of receiving independent legal advice concerning this Agreement, and in the event that any Party has executed this Agreement without the benefit of independent legal advice, such Party hereby waives the right to receive such independent legal advice.

[The remainder of this page is intentionally left blank.]

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

PERASO TECHNOLOGIES INC.

By: 
Name: William Alexander McLean
Title: CEO

**INOVIA INVESTMENT FUND II, LIMITED
PARTNERSHIP, INOVIA INVESTMENT FUND II-A,
LIMITED PARTNERSHIP AND INOVIA INVESTMENT
FUND II-B, LIMITED PARTNERSHIP, INOVIA PERASO
SPV (INTERNATIONAL), LIMITED PARTNERSHIP,
INOVIA PERASO SPV LIMITED PARTNERSHIP, each
represented by its general partner, iNovia
Management II, Limited Partnership, itself acting
through its general partner, iNovia Capital Inc.**

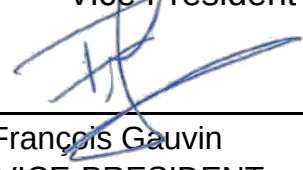
By: 

Name:

Shawn Abbott

Title:

Vice President

By: 

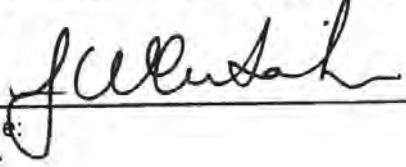
Name:

Francois Gauvin

Title:

VICE-PRESIDENT

VENTURELINK INNOVATION FUND INC., by its
Manager and Investment Advisor, VL Advisors Inc.

By: 
Name: _____
Title: _____

[Counterpart Signature Page to Eighth Amended and Restated Unanimous Shareholders Agreement]

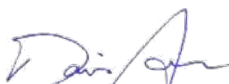
CELTIC HOUSE GENERAL PARTNER (FUND III) INC. in
its capacity as general partner of CELTIC HOUSE
VENTURE PARTNERS FUND III L.P.

By: 
Name: David Adderley
Title: Partner

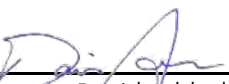
CELTIC HOUSE GENERAL PARTNER (FUND III) (U.S.)
INC. in its capacity as general partner of CELTIC
HOUSE VENTURE PARTNERS FUND III (U.S.) L.P.

By: 
Name: David Adderley
Title: Partner

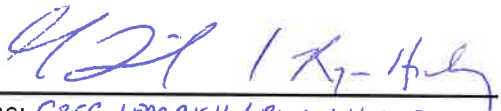
CELTIC-GCI SPV I GP INC. in its capacity as general
partner of CELTIC GCI SPV LP I

By: 
Name: David Adderley
Title: Partner

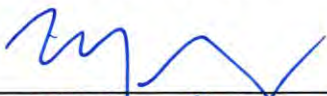
CELTIC-GCI SPV II LP. in its capacity as general partner
of CELTIC HOUSE SPV II LP

By: 
Name: David Adderley
Title: Partner

POLAR MULTI-STRATEGY MASTER FUND by its
investment advisor, Polar Asset Management
Partners Inc.

By: 
Name: GREG LEMACH / RYAN HICKEY
Title: GENERAL COUNSEL / SENIOR LEGAL COUNSEL

QORVO INTERNATIONAL PTE. LTD.

By: 
Name: MARK MURPHY
Title: DIRECTOR

UBIQUITI NETWORKS CANADA INC.

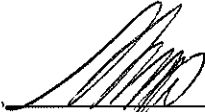
By:



Name: Dennis Lu

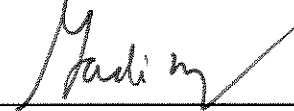
Title: VP and Treasurer

ONTARIO CAPITAL GROWTH CORPORATION

By: 

Name: STEVE ROMANESKY

Title: PRESIDENT + CEO

By: 

Name:

Title:

ROADMAP CAPITAL GENERAL PARTNER LTD., as
general partner of ROADMAP INNOVATION FUND I,
ROADMAP PERASO LP, ROADMAP PERASO LP (U.S.
AND OFFSHORE), ROADMAP PERASO LP II
ROADMAP PERASO LP II (U.S. AND OFFSHORE), and
ROADMAP INNOVATION FUND II, by its manager,
ROADMAP CAPITAL MANAGEMENT LIMITED.

By: 
Name: Hugh Cleland
Title: CEO, Roadmap Capital (nc.)

INTEGRATED DEVICE TECHNOLOGY MALAYSIA SDN
BHD

By: 
Name: MATTHEW BRAUDAUSE
Title: Director

RESOLVE LIMITED

By: 

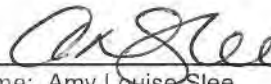
Name:

Title:

Rocco A Schiralli

President & Sole Shareholder

ROBBIN ESTATES LLC.

By: 
Name: Amy Louise Slee
Title: On behalf of Eight Corporation Limited as Manager

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Andreea Balteanu

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Dorina Abramovici

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Jeffrey Andonieh

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Lawrence Baruch

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Son Cam

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Silvia Denise Flores Lopez

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Padmini Nujetti

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Ardit Pajo

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Keith Riley

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Ekaterina Laskin

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

David Seale

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Yigal Eliaspur

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Nima Gilanpour

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Jianning Huang

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Tejas Kotadia

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Yatki Derek Kwan

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Xerxes Wania

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Bradley Lynch

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Loannis Sarka

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Alexander Tomkins

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Florin Pera

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Antonio Merza

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Vincent Law

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Mao Ye

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Jennifer Pham

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Saman Jafarlou

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Lianne Madill

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Shahed Safavi-Bayat

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Cindy Cortese

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Sydney Milgrom

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Arash Tabibiazar

SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

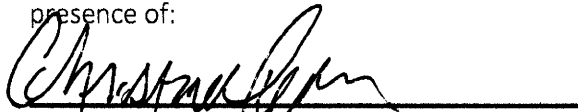
Joe Andonieh

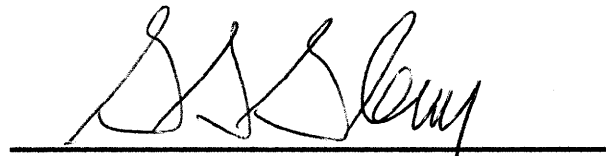
SIGNED, SEALED AND DELIVERED in the)
presence of:)

_____)
Witness:)

Hany Abdelghafar

SIGNED, SEALED AND DELIVERED in the
presence of:


Witness: _____


Gordon Glenn

**GORDON S. GLENN LIVING TRUST, by its trustee,
Gordon Glenn**

Per: _____

SIGNED, SEALED AND DELIVERED in the)
presence of:)

Witness:)

Sorin Voinigescu)

THE VOINIGESCU FAMILY TRUST, by its trustee,
Sorin Voinigescu

Per: _____

SCHEDULE "A"

LIST OF INVESTORS AND INVESTOR SECURITIES

Investor	Number and Class of Securities
Lawrence Baruch	7,557 Class B Series 1 Convertible Preferred Shares
Robbin Estates LLC	37,368 Class B Series 1 Convertible Preferred Shares
Polar Multi-Strategy Master Fund	4,181,879 Class C Series 1 Convertible Preferred Shares
Qorvo International Pte. Ltd.	12,203,911 Class C Series 1 Convertible Preferred Shares
Ubiquiti Networks Canada Inc.	4,583,164 Class C Series 1 Convertible Preferred Shares
Resolve Limited	339,962 Class B Series 1 Convertible Preferred Shares
Gordon S. Glenn Living Trust of October 7, 2009	15,113 Class B Series 1 Convertible Preferred Shares
Celtic House SPV II Limited Partnership	101,419 Class C Series 1 Convertible Preferred Shares
CELTIC-GCI SPV LP 1	2,683,480 Class C Series 1 Convertible Preferred Shares
Celtic-GCI SPV I GP Inc.	Warrant to purchase 47,098 Common Shares Warrant to purchase 16,227 Common Shares Warrant to purchase 52,738 Common Shares Warrant to purchase 44,944 Common Shares
Celtic House Venture Partners Fund III L.P.	498,538 Class A Convertible Preferred Shares 5,242,333 Class B Series 1 Convertible Preferred Shares
Celtic House Venture Partners Fund III (U.S.) L.P.	418,129 Class A Convertible Preferred Shares 4,396,797 Class B Convertible Preferred Shares
VentureLink Innovation Fund Inc.	916,667 Class A Convertible Preferred Shares 6,489,130 Class B Series 1 Convertible Preferred Shares
iNovia Investment Fund II, Limited Partnership	657,387 Class A Convertible Preferred Shares 4,293,317 Class B Series 1 Convertible Preferred Shares 363,215 Class C Series 1 Convertible Preferred Shares
iNovia Investment Fund II-A, Limited Partnership	87,788 Class A Convertible Preferred Shares 575,352 Class B Series 1 Convertible Preferred Shares 49,016 Class C Series 1 Convertible Preferred Shares

Investor	Number and Class of Securities
iNovia Investment Fund II-B, Limited Partnership	171,492 Class A Convertible Preferred Shares 1,120,461 Class B Series 1 Convertible Preferred Shares 94,869 Class C Series 1 Convertible Preferred Shares
iNovia Peraso SPV (International), Limited Partnership	676,133 Class C Series 1 Convertible Preferred Shares
iNovia Peraso SPV, Limited Partnership	1,014,199 Class C Series 1 Convertible Preferred Shares
Ontario Capital Growth Corporation	9,639,130 Class B Series 1 Convertible Preferred Shares
Roadmap Peraso LP	9,469,000 Class B Series 1 Convertible Preferred Shares
Roadmap Peraso LP II	11,931,707 Class C Series 1 Convertible Preferred Shares
Roadmap Innovation Fund I: BMO Nesbitt Burns ITF Account 402 21192 28	1,400,000 Class B Series 1 Convertible Preferred Shares
Roadmap Innovation Fund II: BMO Nesbitt Burns ITF Account 402 21460 23	400,000 Class B Series 1 Convertible Preferred Shares
Roadmap Peraso LP (U.S. and Offshore)	531,000 Class B Series 1 Convertible Preferred Shares
Roadmap Peraso LP II (U.S. and Offshore)	3,613,474 Class C Series 1 Convertible Preferred Shares
Roadmap Capital Inc.	Warrant to purchase 594,000 Common Shares Warrant to purchase 417,850 Common Shares Warrant to purchase 316,402 Common Shares Warrant to purchase 20,283 Common Shares
Integrated Device Technology Malaysia Sdn Bhd	4,532,314 Class C Series 1 Convertible Preferred Shares

SCHEDULE "A-1"

LIST OF COMMON SHAREHOLDERS AND COMMON SHARES

Shareholder	Number and Class of Shares
The Voinigescu Family Trust	802,051 Common Shares
The Glibbery Family Trust	1,508,573 Common Shares
Hany Abdelghafar	10,000 Common Shares
Dorina Abramovici	11,250 Common Shares
Jeffrey Andonieh	10,000 Common Shares
Silvia Denise Flores Lopez	5,000 Common Shares
Padmini Nujetti	5,000 Common Shares
Ardit Pajo	3,125 Common Shares
Keith Riley	245,750 Common Shares
Ioannis Sarkas	20,173 Common Shares
David Seale	19,688 Common Shares
Yigal Eliaspur	33,749 Common Shares
Nima Gilanpour	11,250 Common Shares
Jianning Huang	9,063 Common Shares
Tejas Kotadia	5,000 Common Shares
Yatki Derek Kwan	20,625 Common Shares
Xerxes Wania	2,000 Common Shares
Alexander Tomkins	201,729 Common Shares
Bradley Lynch	325,519 Common Shares

Shareholder	Number and Class of Shares
Andreea Balteanu	25,216 Common Shares
Ekaterina Laskin	25,216 Common Shares
Florin Pera	37,500 Common Shares
Antonio Merza	1,000 Common Shares
Vincent Law	10,313 Common Shares
Mao Ye	5,625 Common Shares
Jennifer Pham	9,375 Common Shares
Saman Jafarlou	2,500 Common Shares
Lianne Madill	750 Common Shares
Shahed Safavi-Bayat	3,750 Common Shares
Cindy Cortese	4,375 Common Shares
Sydney Milgrom	1,000 Common Shares
Arash Tabibiazar	500 Common Shares
Joe Andonieh	15,000 Common Shares
Son Cam	20,000 Common Shares

SCHEDULE "B"**FORM OF ACKNOWLEDGEMENT**

To: The parties to the Eighth Amended and Restated Unanimous Shareholders Agreement dated December 21, 2018 between Peraso Technologies Inc. (the "Corporation"), all of its shareholders, certain other holders of securities of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement").

The undersigned, _____, having purchased certain securities of the Corporation [previously held by _____], in consideration of the approval by the Board and/or the shareholders of the Corporation of the transfer [or issuance] of such securities to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto, and, if such securities were Founder Shares transferred to the undersigned by a Family Trust Controlled by a Founder or a Principal, the undersigned hereby further agrees that the undersigned and the Founder Shares so transferred shall be subject to the same restrictions and obligations that are applicable to the Family Trust and the Founder Shares, respectively, under the Agreement. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at _____, this _____ day of _____, 20__.

SIGNED, SEALED AND DELIVERED in the)
presence of:)
)
)
_____)
)
)

OR

Per: _____ c/

Title:

SCHEDULE "C"
COMPLIANCE CERTIFICATE

[_____]

(the "Investor")

Date: [_____]

Reference is made to that Eighth Amended and Restated Unanimous Shareholders Agreement dated December 21, 2018 between Peraso Technologies Inc. (the "Corporation"), all of its shareholders, certain other holders of securities of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement").

I, [_____] , [Chief Financial Officer] of the Corporation, hereby certify for and on behalf of the Corporation without personal liability, intending that the same may be relied upon by you without further enquiry, that, [since the date of the last compliance certificate provided to you] [since]:

1. the financial statements delivered pursuant to the Agreement have been prepared in accordance with general accepted accounting principles in effect on the date of such financial statements and the information contained therein is true and correct in all material respects, subject only to year-end audit adjustments, and present fairly and consistently the results of operations and changes in the financial position of the Corporation as of and to the date of such financial statements;
2. except as disclosed in writing to the Investor, the Corporation has not committed a breach of any of its representations, warranties, covenants and obligations as set out in the Agreement;
3. except as disclosed in writing to the Board, the Corporation is in compliance with all tax and other source deductions and other withholding obligations and has accrued unpaid vacation pay in its financial statements;
4. the Corporation has (i) made or set aside all required payments of salaries, wages, vacation pay, deductions for taxes or other obligations required to be deducted and has paid the same to the proper tax or other receiving officers; (ii) remitted to the appropriate tax authority, on a timely basis, all amounts collected on account of goods and services taxes and provincial sales taxes; and (iii) remitted to the appropriate receiving officer, on a timely basis, all amounts required to be paid by it in connection with workers compensation legislation; and
5. the Corporation is not aware of any breach or potential breach caused by the Corporation of any applicable laws, regulations, permits, licences, approvals, policies, guidelines or orders of any governmental or municipal authority relating to environmental, health or safety matters (including without limitation the release of hazardous substances) (collectively, the "Environmental Laws") and to the best of its knowledge is in compliance with all applicable Environmental Laws.

All capitalized terms not defined herein have the meanings given to them in the Agreement.

[]

Chief Financial Officer of
Peraso Technologies Inc.

SCHEDULE "D"
ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is entered into as of [DATE] (this "Agreement") by and between Peraso Technologies Inc. ("Transferor"), [TRANSFEREE] ("Transferee"), Ubiquiti Networks, Inc. ("Ubiquiti USA") and Ubiquiti Cayman Limited ("Ubiquiti Cayman").

RECITALS:

A. Transferor has entered into (i) certain License and Development Agreement, dated as of December 21, 2018 by and between Transferor and Ubiquiti Networks, Inc. and (ii) certain Master Purchase and Supply Agreement, dated as of December [19], 2018 by and between Transferor and Ubiquiti Cayman Limited (collectively, as amended, restated, supplemented or otherwise modified from time to time, the "Transferred Contracts").

B. In connection with the assignment of the Transferred Contracts, Transferee desires to assume any and all obligations of Transferor under the Transferred Contracts (the "Assumed Obligations").

C. The parties hereto desire to execute and deliver this Agreement for the purpose of effecting (i) the transfer, assignment and conveyance to Transferee of Transferor's right, title and interest in and to the Transferred Contracts and (ii) the assumption by Transferee of the Assumed Obligations.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Transfer of the Transferred Contracts. Transferor hereby transfers, assigns and conveys to Transferee, to have and to hold forever, Transferor's right, title and interest in and to the Transferred Contracts. Transferee does hereby accept such assignment, conveyance and transfer of the Transferred Contracts.

2. Assumption of Assumed Obligations. Transferee hereby assumes, agrees to perform, and in due course pay and discharge the Assumed Obligations, and Transferor and its successors and assigns shall have no further obligations or liabilities with respect to the Transferred Contracts.

3. Ubiquiti. Ubiquiti USA and Ubiquiti Cayman hereby agree to the assignment by the Transferor of its right, title and interest in and to the Transferred Contracts and the assumption by the Transferee of the Assumed Obligations.

4. Further Conveyances and Assumptions. Each party agrees that it shall do, execute, acknowledge and deliver all acts, agreements, instruments, notices and assurances as may be reasonably requested by the other party to further effect and evidence the transactions contemplated hereby.

5. Amendment. No waiver and no modification or amendment of any provision of this Agreement shall be effective unless specifically made in writing and duly signed by the party to be bound thereby.

6. No Third-Party Beneficiary. This Agreement is being entered into solely for the benefit of the parties hereto, and the parties do not intend that any person shall be a third-party beneficiary of the covenants by Transferor or Transferee contained in this Agreement.

7. Governing Law. **THE VALIDITY, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY THE LAWS OF THE STATE OF NEW YORK, EXCLUDING THE "CONFLICT OF LAWS" RULES THEREOF.**

8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. The electronic or facsimile transmission of an executed counterpart, by one party to the other, shall constitute valid execution and acceptance of this Agreement by the signing/transmitting party.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

10. Savings Clause. If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, such holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have caused this Assignment and Assumption Agreement to be duly executed as of the date first written above.

TRANSFEROR:

Peraso Technologies Inc.

By: _____
Name: _____
Title: _____

TRANSFeree:

[]

By: _____
Name: _____
Title: _____

UBIQUITI:

Ubiquiti Networks, Inc.

By: _____
Name: _____
Title: _____

Ubiquiti Cayman Limited

By: _____
Name: _____
Title: _____

EXHIBIT "B"

EXHIBIT "B"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:

Nephas Aves

2C12EEFAB5242430...

Commissioner for Taking Affidavits

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UBIQUITI INC.,

Plaintiff,

-against-

PERASO TECHNOLOGIES INC.,

Defendant.

1:20-CV-1312

COMPLAINT

UBIQUITI INC., for its complaint against defendant PERASO TECHNOLOGIES INC., alleges as follows:

1. This is an action for a declaratory judgment and monetary damages arising from the breach of a license and development agreement.

THE PARTIES

2. Plaintiff Ubiquiti Inc. (hereinafter “Ubiquiti”) is a corporation incorporated under the laws of Delaware, having a place of business at 685 Third Ave, 27th Floor, New York, NY 10017.

3. Defendant Peraso Technologies Inc. (“Peraso” or “Defendant”) is a corporation incorporated under the laws of the Province of Ontario, having a place of business at 144 Front Street West, Suite 685, Toronto, Ontario, M5J 2L7, Canada.

JURISDICTION AND VENUE

4. The Court has subject matter jurisdiction under 28 U.S.C. § 1332, because there is diversity of citizenship and the amount in controversy exceeds \$75,000. There is diversity of citizenship because Ubiquiti is a citizen of Delaware and New York and Peraso is a citizen of Canada.

5. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(3) because Defendant Peraso has agreed to submit to the personal jurisdiction of courts located in New York, New York, to adjudicate or determine any suit, action or proceeding arising out of or in connection with the license agreement that is the subject of this dispute.

6. The Court has the authority to hear causes of action seeking a declaratory judgment pursuant to 28 U.S.C.A. §§ 2201, 2202.

FACTS COMMON TO ALL CAUSES OF ACTION

7. Plaintiff Ubiquiti is a publicly traded company (NYSE: UI) that develops and markets professional networking hardware and software that is used to create networking infrastructure in over 200 countries and territories around the world.

8. Defendant Peraso is a venture funded private semiconductor company specializing in the development of integrated circuits for the 60 GHz wireless marketplace.

9. On December 21, 2018, Ubiquiti and Peraso entered into a License and Development Agreement (the “License Agreement”).

10. Simultaneously with the License Agreement, and in consideration for the obligations undertaken by Peraso in the License Agreement, a Ubiquiti subsidiary and Peraso also entered into a Class C Series 1 Convertible Preferred Share Subscription Agreement (the “Subscription Agreement”), whereby the Ubiquiti subsidiary agreed to make certain equity investments in Peraso if and when certain development “milestones” were achieved by Peraso.

11. Pursuant to the License Agreement, Peraso agreed to develop for Ubiquiti certain chipsets.

12. The License Agreement obligated Peraso to complete the development of the chipsets and to “demonstrate to the reasonable satisfaction of” Ubiquiti that each of three defined development “Milestones” had been completed by agreed to completion dates for each Milestone.

13. The first Milestone had been completed at the time that the parties entered into the License Agreement.

14. Peraso was required to give Ubiquiti written notice of when it believed that it had achieved each of the second and third Milestones (respectively, the “Second Tranche Development Milestones” and the “Third Tranche Development Milestones”).

15. The License Agreement further provided that “[within 30 days of receipt of each such notice, Ubiquiti would “review and conduct such testing as it reasonably considers necessary in order to determine whether the Acceptance Criteria in respect of the applicable Milestone have been satisfied” and would provide Peraso with “written notice of rejection or acceptance of whether Peraso has demonstrated the satisfaction of the Acceptance Criteria” for the applicable Milestone.

16. On December 11, 2019, counsel acting on behalf of Peraso, gave notice to Ubiquiti that Ubiquiti was allegedly in default of a material obligation under the License Agreement (the “Default Notice”). Specifically, the Default Notice claimed that Peraso had given Ubiquiti written notice of its achievement of the Third Tranche Development Milestones on October 31, 2019, and that Ubiquiti failed to give Peraso written notice of rejection or acceptance of Peraso’s alleged achievement of the Third Tranche Development Milestones within 30 days of October 31, 2019.

17. The Default Notice does not identify the document or documents that allegedly constitute the October 31, 2019, notice to Ubiquiti that Peraso had achieved the Third Tranche Development Milestones.

18. Documents delivered to Ubiquiti by Peraso on October 31, 2019, whether considered individually or in the aggregate, were not adequate to demonstrate to the reasonable satisfaction of Ubiquiti that Peraso had achieved the Third Tranche Development Milestones.

19. Between October 31, 2019, and December 11, 2019, the date of the Default Notice, Ubiquiti repeatedly provided Peraso with notice that the materials provided by Peraso on October 31, 2019, did not demonstrate to the reasonable satisfaction of Ubiquiti that Peraso had achieved the Third Tranche Development Milestones.

20. Between October 31, 2019, and December 11, 2019, Peraso repeatedly acknowledged the shortcomings identified by Ubiquiti in the materials provided by Peraso on October 31, 2019, and repeatedly attempted to rectify those shortcomings.

21. By October 31, 2019, a Ubiquiti subsidiary had invested over \$5 million in Peraso and in the development of the chipsets which, pursuant to the License Agreement, were to be made available exclusively to Ubiquiti.

22. Upon information and belief, in or about November 2019, Peraso entered into negotiations with a U.S.-based hardware company for the sale of Peraso to that company.

23. Upon information and belief, the exclusivity provisions of the License Agreement have complicated Peraso's negotiations with the with a U.S.-based hardware company.

24. As of December 11, 2019, Peraso had not provided Ubiquiti with notice sufficient to “demonstrate to the reasonable satisfaction of” Ubiquiti that Peraso had achieved the Third Tranche Development Milestones by or before October 31, 2019, the deadline for such achievement set forth in the License Agreement.

25. As of December 11, 2019, Ubiquiti was not in default of its obligations under the License Agreement.

26. The License Agreement provides that a party receiving a notice of default has 30 days to respond to the noticed default.

27. On December 11, 2019, shortly before Peraso’s counsel issued the Notice of Default, Bill McLean, Chief Executive Office of Peraso, advised Ubiquiti that Peraso would issue the Default Notice but the Default Notice did not require a response because the Third Tranche Development Milestones had not been achieved prior to October 31, 2019.

28. On January 16, 2020, Peraso purported to terminate the License Agreement based on Ubiquiti’s alleged failure to remedy the alleged material breach set forth in the Notice of Default.

29. Ubiquiti has performed each of its obligations under the License Agreement and is not in breach of any of its obligations under the License Agreement.

30. As a result of the purported termination of the License Agreement by Peraso, Ubiquiti has been deprived of access to the chipsets under the terms of the License Agreement and has been damaged in an amount to be determined at trial and believed to be in excess of \$5 million.

FIRST CAUSE OF ACTION FOR DECLARATORY
JUDGMENT

31. Plaintiff repeats and realleges paragraphs 1 through 31 of this complaint as if fully set forth herein.

32. Ubiquiti has fulfilled all of its obligations under the License Agreement and, therefore, is not in breach of any contract or agreement with Peraso.

33. Peraso persists in asserting -- incorrectly and wrongly -- that Ubiquiti materially breached the License Agreement and that the License Agreement has been terminated.

34. The dispute between the parties is a justiciable controversy appropriate for declaratory judgment under the Declaratory Judgment Act, 28 U.S.C.A. §§ 2201, 2202.

WHEREFORE, plaintiff Ubiquiti, respectfully requests that this Court:

A. Enter a declaratory judgment holding that Ubiquiti is not in breach of the License Agreement;

B. Enter a declaratory judgment holding that the License Agreement is in full force and effect;

C. Enter a declaratory judgment holding that Peraso is obligated to honor the terms of the License Agreement, including its obligation and to make the chipsets available to Ubiquiti exclusively as required by the License Agreement;

D. Award Ubiquiti compensatory damages for the acts complained of herein in an amount to be determined at trial;

E. Award to Ubiquiti its full costs, disbursements, and reasonable attorneys' fees incurred in this action; and

F. Award to Ubiquiti such additional and further relief as the Court deems just and proper.

Dated: New York, New York
February 14, 2020

/s/ Mario Aieta
Mario Aieta
Alanna B. Newman
DUANE MORRIS LLP
230 Park Avenue
New York, New York 10169
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Attorneys for Plaintiff
Ubiquiti Inc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UBIQUITI INC.,

Plaintiff,

-against-

PERASO TECHNOLOGIES INC., BILL McLEAN, JIM
WHITAKER, SHAWN ABBOT, DAVID ADDERLEY,
IMED ZINE and RIAD ZINE,

Defendants.

1:20-CV-1312

FIRST AMENDED
COMPLAINT

UBIQUITI INC., for its first amended complaint against defendants PERASO TECHNOLOGIES INC., BILL McLEAN, JIM WHITAKER, SHAWN ABBOT, DAVID ADDERLEY, IMED ZINE and RIAD ZINE, alleges as follows:

1. This is an action for a declaratory judgment and monetary damages arising from the breach of a license and development agreement and the conversion of exclusive rights under that agreement, and for monetary damages arising from tortious interference with a contract and fraud.

THE PARTIES

2. Plaintiff Ubiquiti Inc. (“Ubiquiti”) is a corporation incorporated under the laws of Delaware, having a place of business at 685 Third Ave, 27th Floor, New York, NY 10017.

3. Defendant Peraso Technologies Inc. (“Peraso”) is a corporation incorporated under the laws of the Province of Ontario, having a place of business at 144 Front Street West, Suite 685, Toronto, Ontario, M5J 2L7, Canada.

4. Defendant Bill McLean is an individual residing in Toronto, Ontario, Canada. At all times relevant to the allegations in this First Amended Complaint, Mr.

McLean was the President, CEO and Chairman of the Board of Directors of Peraso. Mr. McLean is a preferred shareholder of Peraso.

5. Defendant Jim Whitaker is an individual residing in Toronto, Ontario, Canada. At all times relevant to the allegations in this First Amended Complaint, Mr. Whitaker was a member of the Board of Directors of Peraso. Mr. Whitaker was also the Managing Partner of VL Advisors, Inc., which was the Manager and Investment Advisor of Venturelink Innovation Fund Inc. (“Venturelink”). Venturelink is a preferred shareholder of Peraso.

6. Defendant Shawn Abbott is an individual residing in Toronto, Ontario, Canada. At all times relevant to the allegations in this First Amended Complaint, Mr. Abbott was a member of the Board of Directors of Peraso. Mr. Abbott was also the Vice President of iNovia Capital, Inc., which was the general partner of iNovia Management II Limited Partnership, which was the general partner of iNovia Investment Fund II, Limited Partnership, iNovia Investment Fund II-A, Limited Partnership, iNovia Investment Fund II-B, Limited Partnership, iNovia Peraso SPV, Limited Partnership, and iNovia Peraso SPV (International), Limited Partnership (collectively “iNovia”). iNovia is a preferred shareholder of Peraso.

7. Defendant David Adderley is an individual residing in Toronto, Ontario, Canada. At all times relevant to the allegations in this First Amended Complaint, Mr. Adderley was a member of the Board of Directors of Peraso. Mr. Adderley was also the President of Celtic-GCI SPV I GP Inc., which is the general partner of Celtic GCI SPV LP I, the President of Celtic House General Partner (Fund III) (U.S.) Inc., which is the general partner of Celtic House Venture Partners Fund III (U.S.) L.P., the President of

Celtic House SPV II LP, which is the general partner of Celtic House SPV II LP, and a partner in Celtic House General Partner (Fund III) Inc., which is the general partner of Celtic House Venture Partners Fund III L.P. (collectively “Celtic”). Celtic is a preferred shareholder of Peraso.

8. Defendant Imed Zine is an individual residing in Toronto, Ontario, Canada. At all times relevant to the allegations in this First Amended Complaint, Mr. Imed Zine was a member of the Board of Directors of Peraso. Mr. Imed Zine is a principal of Roadmap Capital, Inc., which is the manager of Roadmap Capital General Partner LTD, which is the general partner of Roadmap Innovation Fund I, Roadmap Peraso LP (US and Offshore), Roadmap Peraso LP II, Roadmap Peraso LP II (US and Offshore), Roman Innovation Fund II, and Roadmap Innovation Fund (US and Offshore) I (collectively “Roadmap”). Roadmap is a preferred shareholder of Peraso.

9. Defendant Riad Zine is an individual residing in Toronto, Ontario, Canada. At all times relevant to the allegations in this First Amended Complaint, Mr. Riad Zine was a member of the Board of Directors of Peraso. Upon information and belief, Mr. Riad Zine is a principal of Roadmap.

JURISDICTION AND VENUE

10. The Court has subject matter jurisdiction under 28 U.S.C. § 1332, because there is diversity of citizenship and the amount in controversy exceeds \$75,000. There is diversity of citizenship because Ubiquiti is a citizen of Delaware and New York and each of the defendants is a citizen of Canada.

11. This Court has personal jurisdiction over the Defendant Peraso because, *inter alia*, Peraso has agreed to submit to the personal jurisdiction of courts located in New York, New York. This Court has personal jurisdiction over Defendants McLean,

Whitaker, Abbot, Adderley, Imed Zine and Riad Zine because each individual was a primary actor in the unlawful termination of a license agreement, as alleged below, and committed, or aided, abetted, contributed to, or participated in, tortious acts causing injury to Plaintiff in New York.

12. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(3) because Defendant Peraso has agreed to submit to the personal jurisdiction of courts located in New York, New York, to adjudicate or determine any suit, action or proceeding arising out of or in connection with the license agreement that is the subject of this dispute.

13. The Court has the authority to hear causes of action seeking a declaratory judgment pursuant to 28 U.S.C.A. §§ 2201, 2202.

FACTS COMMON TO ALL CAUSES OF ACTION

14. Plaintiff Ubiquiti is a publicly traded company (NYSE: UI) that develops and markets professional networking hardware and software that is used to create networking infrastructure in over 200 countries and territories around the world.

15. Defendant Peraso is a venture funded private semiconductor company specializing in the development of integrated circuits for the 60 GHz wireless marketplace.

16. Defendants McLean, Whitaker, Abbot, Adderly, Imed Zine and Riad Zine (collectively the “Individual Defendants”) were members of the board of directors of Peraso prior to December 2018 and continuing to February 2020.

17. VentureLink, iNovia, Celtic and Roadmap (collectively the “Venture Funds” and together with McLean the “Preferred Share Investors”) were venture funds that invested in Peraso prior to December 21, 2018 and continuing to this day.

18. Upon information and belief, Whitaker, Abbot, Adderly, Imed Zine and Riad Zine, as partners, owners, investors and/or employees of one of the Venture Funds, had direct financial interests in their Venture Fund's investment in Peraso.

19. Pursuant to the Charter Documents of Peraso as amended, each of the Preferred Share Investors was entitled to receive preferred dividends, liquidation priorities, and other financial considerations greater than those to which other, common share, investors in Peraso were entitled.

20. On December 21, 2018, Ubiquiti and Peraso entered into a License and Development Agreement (the "License Agreement").

21. Simultaneously with the License Agreement, and in consideration for the obligations undertaken by Peraso in the License Agreement, a Ubiquiti subsidiary and Peraso also entered into a Class C Series 1 Convertible Preferred Share Subscription Agreement (the "Subscription Agreement"), whereby the Ubiquiti subsidiary agreed to make certain equity investments in Peraso if and when certain development "milestones" were achieved by Peraso.

22. The Preferred Share Investors expressly consented to the Subscription Agreement and related documents, including the License Agreement, in a Consent and Waiver executed by McLean, Whitaker, Abbot, Adderly, and Imed Zine.

23. Pursuant to the License Agreement, Peraso agreed to develop for Ubiquiti certain chipsets.

24. The License Agreement obligated Peraso to complete the development of the chipsets and to "demonstrate to the reasonable satisfaction of" Ubiquiti that each of

three defined development “Milestones” had been completed by agreed to completion dates for each Milestone.

25. The first Milestone had been completed at the time that the parties entered into the License Agreement.

26. Peraso was required to give Ubiquiti written notice of when it believed that it had achieved each of the second and third Milestones (respectively, the “Second Tranche Development Milestones” and the “Third Tranche Development Milestones”).

27. The License Agreement further provided that “[within 30 days of receipt of each such notice, Ubiquiti would “review and conduct such testing as it reasonably considers necessary in order to determine whether the Acceptance Criteria in respect of the applicable Milestone have been satisfied” and would provide Peraso with “written notice of rejection or acceptance of whether Peraso has demonstrated the satisfaction of the Acceptance Criteria” for the applicable Milestone.

28. Documents delivered to Ubiquiti by Peraso on October 31, 2019, whether considered individually or in the aggregate, were not adequate to demonstrate to the reasonable satisfaction of Ubiquiti that Peraso had achieved the Third Tranche Development Milestones.

29. Between October 31, 2019, and December 11, 2019, Ubiquiti repeatedly provided Peraso with notice that the materials provided by Peraso on October 31, 2019, did not demonstrate to the reasonable satisfaction of Ubiquiti that Peraso had achieved the Third Tranche Development Milestones.

30. Between October 31, 2019, and December 11, 2019, Peraso repeatedly acknowledged the shortcomings identified by Ubiquiti in the materials provided by Peraso on October 31, 2019, and repeatedly attempted to rectify those shortcomings.

31. By October 31, 2019, a Ubiquiti subsidiary had invested over \$5 million in Peraso and in the development of the chipsets which, pursuant to the License Agreement, were to be made available exclusively to Ubiquiti.

32. Upon information and belief, in spite of the substantial investment made in Peraso by a Ubiquiti subsidiary, by the Fall of 2019 Peraso's financial condition had deteriorated to the point that it was having difficulty making payroll.

33. Upon information and belief, by the Fall of 2019 Peraso had accumulated a large sum of accrued and unpaid dividends owed to the Preferred Share Investors.

34. Upon information and belief, in or about November 2019, Peraso or its board of directors entered into a relationship with a broker to seek a sale of Peraso to a third party and the broker was unable to generate any interest in the purchase of Peraso other than a potential sale of Peraso to a US-based hardware company.

35. Upon information and belief, the terms of the potential sale of Peraso to a US-based hardware company would generate sufficient proceeds to provide compensation to the Preferred Share Investors but would leave other investors, including the holders of common shares, with little or no compensation.

36. Upon information and belief, each of McLean, Whitaker, Abbot, Adderley, Imed Zine, and Riad Zine, through their interests in the preferred shares of Peraso and in the Venture Funds, would earn a substantial personal financial reward if Peraso were to be acquired by the U.S.-based hardware company.

37. Upon information and belief, the Individual Defendants learned that the U.S.-based hardware company was not interested in purchasing Peraso so long as Ubiquiti had the exclusive rights to certain chips being developed by Peraso as provided in the License Agreement.

38. Upon information and belief, McLean, Whitaker, Abbot, Adderly, Imed Zine and Riad Zine, acting in concert, decided to terminate the License Agreement in order to increase the likelihood that Peraso would be acquired by the U.S.-based hardware company, even though Ubiquiti was not in breach of its obligations under the License Agreement, there was no legal basis for terminating the License Agreement, and terminating the License Agreement was not in the best interests of Peraso and its shareholders other than the Preferred Share Investors.

39. On December 11, 2019, counsel acting on behalf of Peraso, gave notice to Ubiquiti that Ubiquiti was allegedly in default of a material obligation under the License Agreement (the “Default Notice”). Specifically, the Default Notice claimed that Peraso had given Ubiquiti written notice of its achievement of the Third Tranche Development Milestones on October 31, 2019, and that Ubiquiti failed to give Peraso written notice of rejection or acceptance of Peraso’s alleged achievement of the Third Tranche Development Milestones within 30 days of October 31, 2019.

40. The Default Notice does not identify the document or documents that allegedly constitute the October 31, 2019, notice to Ubiquiti that Peraso had achieved the Third Tranche Development Milestones.

41. As of December 11, 2019, Peraso had not provided Ubiquiti with notice sufficient to “demonstrate to the reasonable satisfaction of” Ubiquiti that Peraso had

achieved the Third Tranche Development Milestones by or before October 31, 2019, the deadline for such achievement set forth in the License Agreement.

42. As of December 11, 2019, Ubiquiti was not in default of its obligations under the License Agreement.

43. The License Agreement provides that a party receiving a notice of default has 30 days to respond to the noticed default.

44. On December 11, 2019, shortly before Peraso's counsel issued the Notice of Default and in furtherance of the Individual Defendants' plan to wrongfully terminate the License Agreement, McLean advised Ubiquiti that Peraso would issue the Default Notice but the Default Notice did not require a response because the Third Tranche Development Milestones had not been achieved prior to October 31, 2019. Peraso's counsel issued the Default Notice shortly after McLean advised Ubiquiti that the Default Notice did not require a response.

45. On January 16, 2020, Peraso purported to terminate the License Agreement based on Ubiquiti's alleged failure to remedy the alleged material breach set forth in the Notice of Default. Upon information and belief, this notice of termination was provided by Peraso to the US-based hardware company in an effort to facilitate a potential sale of Peraso.

46. Ubiquiti has performed each of its obligations under the License Agreement and is not in breach of any of its obligations under the License Agreement.

47. Peraso has ceased performing its obligations under the License Agreement.

48. As a result of the purported termination of the License Agreement by Peraso, Ubiquiti has been deprived of access to the chipsets under the terms of the License

Agreement and has been damaged in an amount to be determined at trial and believed to be in excess of \$5 million.

49. As a result of the breach of the License Agreement by Peraso, Ubiquiti has been deprived of access to the chipsets under the terms of the License Agreement and has been damaged in an amount to be determined at trial.

**FIRST CAUSE OF ACTION FOR DECLARATORY
JUDGMENT (PERASO)**

50. Plaintiff repeats and realleges paragraphs 1 through 49 of this First Amended Complaint as if fully set forth herein.

51. Ubiquiti has fulfilled all of its obligations under the License Agreement and, therefore, is not in breach of any contract or agreement with Peraso.

52. Peraso persists in asserting -- incorrectly and wrongly -- that Ubiquiti materially breached the License Agreement and that the License Agreement has been terminated.

53. The dispute between the Ubiquiti and Peraso is a justiciable controversy appropriate for declaratory judgment under the Declaratory Judgment Act, 28 U.S.C.A. §§ 2201, 2202.

**SECOND CAUSE OF ACTION FOR BREACH OF
CONTRACT (PERASO)**

54. Plaintiff repeats and realleges paragraphs 1 through 53 of this First Amended Complaint as if fully set forth herein.

55. Ubiquiti has fulfilled all of its obligations under the License Agreement and, therefore, is not in breach of any contract or agreement with Peraso.

56. Peraso has ceased performing its obligations under the License Agreement.

57. As a result of the breach of the License Agreement by Peraso, Ubiquiti has been damaged in an amount to be determined at trial.

THIRD CAUSE OF ACTION FOR BREACH OF
COVENANT OF GOOD FAITH AND FAIR DEALING
(PERASO)

58. Plaintiff repeats and realleges paragraphs 1 through 57 of this First Amended Complaint as if fully set forth herein.

59. Implied in all contracts is a covenant of good faith and fair dealing which obligates the parties to act in good faith, to use their best efforts to deal fairly with one another, and to do nothing that will impede the other party from obtaining the benefits of the contract.

60. By the conduct as set forth above, Peraso has breached the covenant of good faith and fair dealing and has wrongfully deprived, impaired, destroyed and injured the rights of the Ubiquiti to receive the value, benefit and fruits of the License Agreement and of the promise to make develop chipsets to be licensed exclusively to Ubiquiti.

61. As a result of the breach by Peraso of the covenant of good faith and fair dealing, Ubiquiti has suffered damages in an amount to be determined at trial and believed to be no less than \$5 million.

FOURTH CAUSE OF ACTION FOR CONVERSION
(PERASO)

62. Plaintiff repeats and realleges paragraphs 1 through 61 of this First Amended Complaint as if fully set forth herein.

63. Peraso's unlawful termination of the License Agreement, as alleged above, was intended to and, in fact, did appropriate to Peraso, without justification, the rights,

benefits and interest in and to the chipsets that were exclusively licensed to Ubiquiti under the License Agreement.

64. The termination of the License Agreement was unlawful and constitutes conversion of Ubiquiti's exclusive interest in chipsets.

65. As a direct and proximate result of Peraso's conduct, Ubiquiti has been damaged in an amount to be proven at the time of trial, but believed to be in excess of \$5 million, and Ubiquiti is entitled as well to punitive damages, prejudgment interest, and reimbursement of legal fees.

FIFTH CAUSE OF ACTION FOR TORTIOUS
INTERFERENCE WITH CONTRACT (INDIVIDUAL
DEFENDANTS)

66. Plaintiff repeats and realleges paragraphs 1 through 65 of this First Amended Complaint as if fully set forth herein.

67. The License Agreement was and is a valid contract between Ubiquiti and Peraso.

68. Each of the Individual Defendants, through his participation in the corporate governance of Peraso as a member of its board of directors, was aware of the License Agreement and its terms.

69. Each of the Individual Defendants, through his participation in the corporate governance of Peraso as a member of its board of directors, was aware that the U.S.-based hardware company was not interested in purchasing Peraso so long as Ubiquiti had the exclusive rights to certain chipsets being developed by Peraso as provided in the License Agreement.

70. Each of the Individual Defendants, through his participation in the corporate governance of Peraso as a member of its board of directors, was aware that Ubiquiti was

not in breach of its obligations under the License Agreement and that there was no legal basis for terminating the License Agreement as of December 11, 2019.

71. The Individual Defendants, acting in concert, caused Peraso to terminate the License Agreement unlawfully and without justification.

72. The Individual Defendants, acting in concert, caused Peraso to issue the Notice of Default, knowing that Ubiquiti was not in default under the terms of the License Agreement.

73. The Individual Defendants, acting in concert, caused Peraso to terminate the License Agreement even though terminating the License Agreement was not in the best interests of Peraso and its shareholders other than the Preferred Share Investors.

74. Each of the Individual Defendants acted in furtherance of his personal gain, either through direct ownership of preferred stock in Peraso (McLean) or through his participation in and employment by one of the Venture Funds (Whitaker, Abbot, Adderly, Imed Zine and Riad Zine), by causing the issuance of the false Notice of Default purporting to terminate the License Agreement.

75. The Individual Defendants' tortious interference with the contractual relationship between Ubiquiti and Peraso has caused damage to Ubiquiti in an amount to be determined at trial.

SIXTH CAUSE OF ACTION FOR FRAUD
(INDIVIDUAL DEFENDANTS)

76. Plaintiff repeats and realleges paragraphs 1 through 75 of this First Amended Complaint as if fully set forth herein.

77. Upon information and belief, Whitaker, Abbot, Adderly, Imed Zine and Riad Zine were acting in concert with McLean to unlawfully terminate the License Agreement and authorized McLean to act on their behalf to accomplish that goal.

78. On December 11, 2019, McLean advised Ubiquiti that Peraso would issue the Default Notice but the Default Notice did not require a response because the Third Tranche Development Milestones had not been achieved prior to October 31, 2019.

79. McLean's representation to Ubiquiti that the Default Notice did not require a response was false when made.

80. The Individual Defendants knew that McLean's representation regarding the Default Notice was false when made or that the representation was made recklessly.

81. The Individual Defendants intended that Ubiquiti would rely on the false representation and would not prepare a response to the Notice of Default as required by the License Agreement.

82. Ubiquiti reasonably relied on the false representation. Had Ubiquiti been aware of the truth it would have remedied the default set forth in the Notice of Default in the manner provided in the License Agreement.

83. As a result of the fraud committed by the Individual Defendants, Peraso purported to terminate the License Agreement and Ubiquiti has been harmed in an amount to be determined at trial but believed to be in excess of \$5 million.

WHEREFORE, plaintiff Ubiquiti, respectfully requests that this Court:

A. Enter a declaratory judgment holding that Ubiquiti is not in breach of the License Agreement;

B. Enter a declaratory judgment holding that the License Agreement is in full force and effect;

C. Enter a declaratory judgment holding that Peraso is obligated to honor the terms of the License Agreement, including its obligation and to make the chipsets available to Ubiquiti exclusively as required by the License Agreement;

D. Award Ubiquiti compensatory damages for the acts complained of herein in an amount to be determined at trial and believed to be in excess of \$5 million;

E. On its Fourth, Fifth and Sixth Causes of Action, award Ubiquiti compensatory damages in an amount to be proven at trial and believed to be in excess of \$5 million, together with punitive damages, prejudgment interest and legal fees;

F. Award to Ubiquiti its full costs, disbursements, and reasonable attorneys' fees incurred in this action; and

G. Award to Ubiquiti such additional and further relief as the Court deems just and proper.

Dated: New York, New York
March 10, 2020

/s/ Mario Aieta
Mario Aieta
Alanna B. Newman
Peggy Chen
DUANE MORRIS LLP
230 Park Avenue
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abnewman@duanemorris.com

Attorneys for Plaintiff
Ubiquiti Inc.

EXHIBIT "C"

EXHIBIT "C"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:

Nephas Aves

2C12EFAB5242430...

Commissioner for Taking Affidavits

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UBIQUITI INC.,

Plaintiff,

v.

Civil No.: 20-CV-1312

PERASO TECHNOLOGIES INC., BILL McLEAN,
JIM WHITAKER, SHAWN ABBOT, DAVID
ADDERLEY, IMED ZINE and RIAD ZINE,

Defendants.

**PERASO'S ANSWER
TO FIRST AMENDED COMPLAINT
AND COUNTERCLAIMS**

Defendant PERASO TECHNOLOGIES INC. ("Peraso"), by its attorneys
Hodgson Russ LLP, for its answer and counterclaims to the First Amended Complaint of
plaintiff Ubiquiti Inc., states as follows:

1. With respect to paragraph 1, states that this is an action for declaratory
judgment and monetary damages. The remaining assertions are legal conclusions to which no
response is required. To the extent a response is required, Peraso denies the allegations in
paragraph 1.

2. Admits the allegations in paragraph 2.

3. Admits the allegations in paragraph 3.

4. Denies that Mr. McLean is a resident of Toronto, Ontario; denies that Mr. McLean is or was a preferred shareholder of Peraso; and admits that Mr. McLean was the President, CEO, and a member of the board of directors of Peraso.

5. Admits that Mr. Whitaker resides in Toronto, Ontario; admits that Mr. Whitaker was a member of the board of directors of Peraso; admits that Venturelink Innovation Fund Inc. is a preferred shareholder of Peraso; and denies knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 5 and therefore denies them.

6. Denies that Shawn Abbott is a resident of Toronto, Ontario; admits that Mr. Abbott was a member of the board of directors of Peraso; admits that iNovia is a preferred shareholder of Peraso; and denies knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 6 and therefore denies them.

7. Denies that Mr. Adderley is a resident of Toronto, Ontario; admits that Mr. Adderley was a member of the board of directors of Peraso; admits that Celtic is a preferred shareholder of Peraso; and denies knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 7 and therefore denies them.

8. Admits that Mr. Imed Zine resides in Toronto, Ontario; and admits that Mr. Imed Zine was a member of the board of directors of Peraso; admits that Roadmap Capital, Inc. is a preferred shareholder of Peraso; and denies knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 8 and therefore denies them.

9. Admits that Mr. Riadh Zine resides in Toronto, Ontario; admits that Mr. Riadh Zine was a member of the board of directors of Peraso; and denies knowledge or

information sufficient to form a belief as to the remaining allegations in paragraph 9 and therefore denies them.

JURISDICTION AND VENUE

10. Denies that Mr. McLean is a citizen of Canada; and admits the remaining allegations in paragraph 10.

11. Admits that this Court has jurisdiction over Peraso and denies the remaining allegations in paragraph 11.

12. Admits that venue is proper with respect to Peraso; denies that venue is proper for any other defendant; and denies the remaining allegations in paragraph 12.

13. States that paragraph 13 asserts a conclusion of law to which no response is required and therefore denies the allegations in paragraph 13.

14. Admits that Ubiquiti is a publicly traded company, and denies knowledge or information sufficient to form a belief as to the remaining allegations in paragraph 14.

15. Admits that Peraso is a venture-funded private company that develops integrated circuits for the 60 GHz wireless marketplace.

16. Admits that Mr. McLean, Mr. Whittaker, Mr. Abbott, Mr. Adderly, Mr. Imed Zine, and Mr. Riadh Zine were members of the board of directors of Peraso and denies the remaining allegations in paragraph 16.

17. Denies that Mr. McLean is a preferred share investor and therefore denies the applicability of the term "Preferred Share Investor" in this paragraph and throughout the

complaint; admits that Venturelink, iNovia, Celtic, and Roadmap were and are investors in Peraso prior to December 21, 2018 and through today; and denies the remaining allegations in paragraph 17.

18. Denies knowledge or information sufficient to form a belief as to the allegations in paragraph 18 and therefore denies them.

19. Admits that Charter Documents of Peraso set out the rights of preferred share investors; refers to the Charter Documents, including but not limited to the Articles and Unanimous Shareholders' Agreement, for their contents; and denies the remaining allegations in paragraph 19.

20. Admits the allegations in paragraph 20.

21. Admits that Peraso and Ubiquiti Networks Canada Inc. entered into Class C Series 1 Convertible Preferred Share Subscription Agreement (the "Subscription Agreement") simultaneously with the License Agreement and in consideration for the obligations undertaken by Peraso and Ubiquiti in the License Agreement; refers to the Subscription Agreement for its contents; and denies the allegations in paragraph 21.

22. Denies the allegations in paragraph 22.

23. Admits that Peraso agreed to develop Peraso chipsets for Ubiquiti as set forth in the terms of the License Agreement; refers to the License Agreement for its contents; and denies the remaining allegations in paragraph 23.

24. Admits that the License Agreement contains three development milestones; admits that the language of the License Agreement is accurately quoted; and denies the remaining allegations in paragraph 24.

25. Admits the allegations in paragraph 25.

26. Admits that Peraso had to give notice of achievement of the development milestones; refers to the License Agreement for its terms; and denies the remaining allegations in paragraph 26.

27. Admits that the License Agreement, paragraph 2.2 is accurately quoted in paragraph 27; refers to the License Agreement for its contents; and denies the remaining allegations in paragraph 27.

28. Denies the allegations in paragraph 28.

29. Admits only that Ubiquiti and Peraso were in contact between October 31, 2019 and December 11, 2019, and denies the remaining allegations in paragraph 29.

30. Admits only that Ubiquiti and Peraso were in contact between October 31, 2019 and December 11, 2019, and denies the remaining allegations in paragraph 30.

31. Admits only that Ubiquiti Networks Canada invested \$5 million in Peraso of a \$15 million Subscription Agreement; and denies the remaining allegations in paragraph 31.

32. Denies the allegations in paragraph 32.

33. Admits only that Peraso had accrued and unpaid dividends and denies the remaining allegations in paragraph 33.

34. Admits that Peraso contacted a consultant to identify strategic investors for a possible capital raise; states that a possible merger and/or acquisition candidate emerged from that process; and denies the remaining allegations in paragraph 34.

35. Denies the allegations in paragraph 35.

36. Denies the allegations in paragraph 36.

37. Denies the allegations in paragraph 37.

38. Denies the allegations in paragraph 38.

39. Admits only that Peraso issued a notice of default; refers to the notice for its terms and language; and denies the remaining allegations in paragraph 39.

40. Admits only that Peraso issued a notice of default; refers to the notice for its terms and language; and denies the remaining allegations in paragraph 40.

41. Denies the allegations in paragraph 41.

42. Denies the allegations in paragraph 42.

43. Admits the allegations in paragraph 43.

44. Denies the allegations in paragraph 44.

45. Admits that Peraso sent Ubiquiti a notice of termination of the License Agreement on January 16, 2020 based on Ubiquiti's failure to remedy the material breaches set forth in the notice of default; and denies the remaining allegations in paragraph 45.

46. Denies the allegations in paragraph 46.

47. States that Peraso performed under the terms of the License Agreement until it terminated that License Agreement; and denies the allegations in paragraph 47.

48. Denies the allegations in paragraph 48.

49. Denies the allegations in paragraph 49.

CAUSES OF ACTION

FIRST CAUSE OF ACTION FOR DECLARATORY JUDGMENT (Against Peraso)

50. With respect to paragraph 50, repeats and re-alleges all paragraphs above as though fully set forth herein.

51. Denies the allegations in paragraph 51.

52. States that Peraso maintains that Ubiquiti materially breached the License Agreement; and states that the License Agreement was properly terminated; and denies the allegations in paragraph 52.

53. States that the allegations in paragraph 53 call for a legal conclusion and do not require a response.

SECOND CAUSE OF ACTION FOR BREACH OF CONTRACT (Against Peraso)

54. With respect to paragraph 54, repeats and re-alleges all paragraphs above as though fully set forth herein.

55. Denies the allegations in paragraph 55.

56. Denies the allegations in paragraph 56.

57. Denies the allegations in paragraph 57.

**THIRD CAUSE OF ACTION FOR
BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING
(Against Peraso)**

58. With respect to paragraph 58, repeats and re-alleges all paragraphs above as though fully set forth herein.

59. With respect to paragraph 59, states that it is a legal conclusion to which no response is required.

60. Denies the allegations in paragraph 60.

61. Denies the allegations in paragraph 61.

**FOURTH CAUSE OF ACTION FOR
CONVERSION
(Against Peraso)**

62. With respect to paragraph 62, repeats and re-alleges all paragraphs above as though fully set forth herein.

63. Denies the allegations in paragraph 63.

64. Denies the allegations in paragraph 64.

65. Denies the allegations in paragraph 65.

**FIFTH CAUSE OF ACTION FOR
TORTIOUS INTERFERENCE WITH CONTRACT
(Against Individual Defendants)**

66. With respect to paragraph 66, repeats and re-alleges all paragraphs above as though fully set forth herein.

67. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 67.

68. States that this cause of action is not asserted against Peraso; admits only that the individual defendants were aware of the License Agreement; and denies the remaining allegations in paragraph 68.

69. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 69.

70. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 70.

71. Denies the allegations in paragraph 71.

72. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 72.

73. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 73.

74. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 74.

75. Denies the allegations in paragraph 75.

**SIXTH CAUSE OF ACTION FOR
FRAUD
(Against Individual Defendants)**

76. With respect to paragraph 76, repeats and re-alleges all paragraphs above as though fully set forth herein.

77. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 77.

78. Denies the allegations in paragraph 78.

79. Denies the allegations in paragraph 79.

80. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 80.

81. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 81.

82. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 82.

83. States that this cause of action is not asserted against Peraso and denies the allegations in paragraph 83.

Peraso denies all allegations in the “WHEREFORE” paragraph of the Complaint, and denies that Ubiquiti is entitled to declaratory judgment, monetary damages, compensatory damages, interest, attorneys’ fees or costs, or any other relief requested.

DEFENSES

First Defense

84. Plaintiff's complaint, and each and every cause of action, fails to state a claim upon which relief can be granted.

Second Defense

85. Plaintiff has failed to mitigate its claimed damages.

Third Defense

86. Plaintiff's claims are barred by the doctrines of consent, ratification, and/or acquiescence.

Fourth Defense

87. Plaintiff's claims for equitable relief are barred by the doctrine of unclean hands.

Fifth Defense

88. Plaintiff is not entitled to injunctive relief for reasons that include that plaintiff had not suffered irreparable harm and plaintiff, had it actually suffered any injury, would have an adequate remedy at law.

Sixth Defense

89. Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

Seventh Defense

90. Plaintiff's claims are barred by its material breaches of the License Agreement, the Subscription Agreement and other agreements.

Eighth Defense

91. Plaintiff's fraud claim is not pleaded with the specificity required by Federal Rule of Civil Procedure 9(b).

Ninth Defense

92. Plaintiff failed to meet a condition precedent.

Tenth Defense

93. Peraso's termination of the License Agreement was proper under the law and in accordance with the terms of the License Agreement.

COUNTERCLAIMS

94. Peraso is a corporation incorporated under the laws of the Province of Ontario, having a place of business at 144 Front Street West, Suite 685, Toronto, Ontario, M5J 2L7, Canada.

95. Ubiquiti is a corporation incorporated under the laws of Delaware, having a place of business at 685 Third Ave, 27th Floor, New York, NY 10017.

96. The Court has subject-matter jurisdiction under 28 U.S.C. § 1332 because there is diversity of citizenship and the amount in controversy exceeds \$75,000. There is diversity of citizenship because Ubiquiti is a citizen of Delaware and New York and Peraso is a citizen of Canada. These counterclaims are mandated by Rule 13(a) of the Federal Rules of Civil Procedure.

97. This Court has personal jurisdiction over Ubiquiti because it is a corporation with a place of business in New York. Ubiquiti has agreed to submit to the personal

jurisdiction of courts located in New York, New York, and has specifically submitted to the jurisdiction of this Court by filing this action as plaintiff

98. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(3) because Ubiquiti has agreed to submit to the personal jurisdiction of courts located in New York, New York, to adjudicate any suit, action, or proceeding arising out of or in connection with the License Agreement that is the subject of this dispute.

99. Ubiquiti is a shareholder in Peraso. At all relevant times, it received financial information from Peraso on a quarterly basis and was entitled to receive certain financial information upon request.

100. Peraso and Ubiquiti entered into a License and Development Agreement (“License Agreement”) on December 21, 2018 that was part of a larger transaction as referenced in plaintiff’s Amended Complaint at ¶ 21. The transaction included the License Agreement and the Subscription Agreement. Amended Complaint ¶ 21. Ubiquiti’s wholly-owned subsidiary, Ubiquiti Networks Canada, is party to the Subscription Agreement. Ubiquiti directed and controlled all actions by Ubiquiti Networks Canada with respect to the Subscription Agreement.

101. The License Agreement related to Peraso’s development of chipsets. A chipset is a set of electronic component which consists of a least one radio device, one baseband device, and typically, an antenna. A material component of the License Agreement was the development of a next generation RF IC (“Rockfinch radio”) as spelled out in the License Agreement.

102. The definition of “Licensed Chipsets” under the License Agreement refers

to complete, multi-component chipsets as set forth in Schedule A to the License Agreement, not the individual parts. Under the compliance requirements in the License Agreement, a Licensed Chipset is not compliant without the baseband, and the radio is not compliant without the baseband.

103. The pricing agreed to under the License Agreement, Schedule A, required chipsets, not the component parts.

104. The License Agreement contained certain deadlines, or milestones, that Peraso agreed to meet in exchange for equity investments into Peraso by Ubiquiti and its subsidiary. Amended Complaint ¶ 21. Those milestones are called Tranche Development Milestones.

105. The Tranche Development Milestones were a material part of the License Agreement as they established the sequence of the development work. The Tranche Development Milestones also set a schedule for investments in Peraso, providing a predictable capital flow to Peraso, allowing Peraso to continue development work and finance Peraso's operations.

106. The Second Tranche Development Milestone was due on or before January 31, 2019. The Third Tranche Development Milestone was due on or before October 31, 2019.

107. On January 29, 2019, Peraso met the Second Tranche Development Milestone and gave proper notice to Ubiquiti under the terms of the License Agreement.

108. Section 2.2 of the License Agreement required Ubiquiti to either accept or reject the achievement of the milestone in a specific manner, including a duty to act in good faith:

Within 30 days of receipt of such notice, Customer will determine whether the Acceptance Criteria in respect of the applicable Milestone have been satisfied. At the end of each such 30 days period, Customer shall provide Peraso with written notice of rejection or acceptance of whether Peraso has demonstrated the satisfaction of the Acceptance Criteria in respect of the Development Milestone to the reasonable satisfaction of Customer, acting in good faith. If Customer believes that the Acceptance Criteria for the applicable Milestone have not been satisfied ("Rejection"), Customer will give Peraso notice in writing setting out in adequate detail the reason for such Rejection ("Notice of Defect").

109. Ubiquiti did not confirm that the Acceptance Criteria for the Second Tranche Development Milestone had been satisfied, nor did Ubiquiti provide written notice of a Rejection setting forth in adequate detail the reason for such rejection.

110. Ubiquiti's failure to do so constituted a material breach of the License Agreement.

111. Peraso's achievement of the Second Tranche Development Milestone triggered a payment obligation under which Ubiquiti, through its subsidiary, was obligated to invest \$2 million in Peraso.

112. Ubiquiti did not make the required \$2 million investment.

113. Peraso determined that it would not take immediate action on this default, in an effort to not derail its work and risk damage to the ongoing relationship with Ubiquiti and

to continue focusing its efforts to meet the Third Tranche Development Milestone in October 2019.

114. On February 8, 2019, Ubiquiti made clear in an email transmission from Todd Cramer to Peraso's Bill McLean that Ubiquiti was intending to develop products that used its own baseband component and ported the radio component developed by Peraso. The License Agreement does not contemplate the sale of component parts.

115. On June 4, 2019, Peraso communicated again to Ubiquiti that: (1) Peraso had met the Second Tranche Development Milestone on January 29, 2019; (2) Ubiquiti had not complied with Section 2.2 of the License Agreement; and (3) Peraso was continuing its development work nevertheless in good faith.

116. On July 26, 2019, Peraso's team shared the news with Ubiquiti that the chip tests were positive. A detailed performance presentation was sent to Ying Chen, a Senior Engineer at Ubiquiti.

117. Despite the preliminary results that indicated that the Third Tranche Development Milestone would be achieved, Ubiquiti nevertheless expressed that it wanted alternative performance to meet its own requirements that were not part of the Third Tranche Development Milestone.

118. On August 26, 2019, about two months before Peraso's deadline for the Third Tranche Development Milestone of October 31, 2019, Ubiquiti expressed that it would not make the Third Tranche Development Milestone investment of \$8 million unless the existing, bargained-for terms of the License Agreement were changed in two material ways: (1) revisions

to the specifications to meet their own requirements; and (2) joint ownership over the intellectual property for Ubiquiti.

119. Specifically, Mr. Cramer of Ubiquiti emailed Bill McLean, expressing that Ubiquiti required joint ownership of the intellectual property as part of a revised Third Tranche financing. Ubiquiti's demand related to the Rockfinch radio component, including all of the supporting design files and documentation related to the semiconductor device.

120. Peraso continued with its work toward the Third Tranche Development Milestone.

121. From July 2019 through October 31, 2019, Ubiquiti made multiple unilateral requests to change the deliverables and specifications under the License Agreement. Peraso continued to work with Ubiquiti in good faith.

122. Starting around August 26, 2019 and continuing until the Third Tranche Development Milestone deadline of October 31, 2019, Ubiquiti demanded that it be given the complete ownership rights to the intellectual property covered by the License Agreement. Ubiquiti threatened that it would not make the Third Tranche Development Milestone investment of \$8 million in Peraso if its demand was not met.

123. The License Agreement did not afford to Ubiquiti the ownership or manufacturing rights that it demanded, and Peraso rejected Ubiquiti's demand.

124. On October 31, 2019, Peraso gave proper notice of satisfaction that it achieved the Third Tranche Development Milestone.

125. Ubiquiti had 30 days under Section 2.2 of the License Agreement to provide a written notice of Rejection or acceptance.

126. Ubiquiti did not confirm that the Acceptance Criteria set forth in the License Agreement had been met nor did Ubiquiti provide a written notice of Rejection.

127. Ubiquiti's failure to do so constituted a material breach of the License Agreement.

128. Ubiquiti did not make the required \$8 million investment.

129. Between October 31, 2019 and December 11, 2019, Peraso repeatedly inquired as to whether Ubiquiti would accept or reject the achievement of the Third Tranche Development Milestone. Peraso asked Ubiquiti repeatedly whether anything further was required from it.

130. Ubiquiti offered some criticisms of the performance but did not issue any written rejection related to the Acceptance Criteria.

131. Further, any claim of performance issues related to the Rockfinch radio component are undermined by Ubiquiti's subsequent February 2020 order for 100,000 units of the Rockfinch radio component that met the specifications set forth in the Third Tranche Development Milestone.

132. On or about October 1, 2019, Peraso informed Ubiquiti that a term sheet for financing had been issued and it was invited to participate. The financing was in the form of

a convertible note. The only reason financing was necessary was because the lack of promised investments put Peraso at risk.

133. In November 2019, Ubiquiti became aware of Peraso's deteriorating financial situation in the context of a potential offer for a purchase of the company from a third party.

134. On December 11, 2019, Peraso's CEO Bill McLean, together with its counsel, had a phone call with two Ubiquiti executives, Todd Cramer and Hartley Nisenbaum to discuss the status of the License Agreement. During the phone call, Mr. McLean advised them that Ubiquiti was in default because it had neither accepted nor rejected the achievement of the Third Tranche Development Milestone.

135. Immediately following that call, Mr. McLean summarized the parties' positions in an email to Mr. Cramer and Mr. Nisenbaum, informing Ubiquiti that Peraso's counsel would be sending a default letter to Ubiquiti.

136. Also on or around December 11, 2019, Ubiquiti stated that it did not believe that Peraso had a viable financing plan and continued to insist that Peraso turn over the intellectual property rights to Ubiquiti.

137. Peraso's counsel then, also on December 11, 2019, sent a written notice of default to Ubiquiti, demanding cure of the default within 30 days.

138. Ubiquiti did not cure the default.

139. On January 16, 2020, Peraso terminated the License Agreement by a letter

from its counsel to Ubiquiti.

140. In December 2019, Peraso completed a financing for short term capital to remain solvent and continue operating, (the “December Financing”).

141. Ubiquiti had the right to participate in the financing on the same terms but declined to do so.

142. On January 27, 2020, Peraso entered into exclusive negotiations with a third-party potential buyer for a potential sale of the entire company. The exclusivity period for the negotiations ran until March 1, 2020.

143. On February 14, 2020, Ubiquiti sued Peraso in this action seeking a declaration that Ubiquiti had not breached the License Agreement.

144. The potential buyer then ended negotiations with Peraso.

145. On March 2, 2020, the disinterested members of Peraso’s board of directors approved a new financing subject to shareholder approval by class vote in order for Peraso to remain solvent and continue its operations. Particularly, Peraso did not have sufficient funds to meet its payroll obligations which were due on March 13, 2020.

146. On March 2, 2020, Ubiquiti received a Notice of Special Meeting of Shareholders to be held on March 12, 2020 and a Form of Proxy.

147. On March 3, 2020, Peraso sent a notice of pre-emptive rights to shareholders, including Ubiquiti.

148. On March 10, 2020, Ubiquiti amended its lawsuit to include additional

claims against Peraso and added Peraso's individual officers and directors to the lawsuit alleging they committed fraud.

149. Ubiquiti did not exercise any pre-emptive rights in response to the Notice of Special Meeting to Shareholders.

150. On March 11, 2020, Ubiquiti tendered an unreasonable "loan-to-own" proposal after 4 p.m. on the day before the March 12, 2020 shareholder meeting which was to be held at 8 a.m. The proposal did not include any material terms, such as amount and closing date. Ubiquiti's loan proposal acknowledged that holders of the convertible debt had security interests over Peraso's intellectual property and Ubiquiti would require subordination of that security interest.

151. Ubiquiti then threatened that all shareholders needed to be informed of its vague and inchoate proposal. Ubiquiti's belated proposal was designed only to cause confusion and distract from the formal proposal set forth in the proxy sent to shareholders. By its very terms, Ubiquiti's proposal was incapable of being carried out and completed.

152. Ubiquiti did not attend the shareholder meeting where shareholders were made aware of Ubiquiti's loan-to-own proposal.

153. Ubiquiti had the right to vote on the existing financing proposal set forth in the proxy. It did not vote against the financing.

154. On March 12, 2020, necessary shareholder approval was obtained.

155. On March 13, 2020, the financing closed, payroll was met. All

shareholders, including Ubiquiti, were informed of the closing.

156. As a result of Ubiquiti's breach and its failure to make and/or have made the required investments, Peraso has suffered grave harm to its business and operations.

First Counterclaim
(Declaratory Judgment)

157. Peraso repeats and realleges paragraphs 94 through 156 as if set forth fully herein.

158. Peraso fulfilled all of its obligations under the License Agreement.

159. Ubiquiti did not fulfill all of its obligations under the License Agreement and materially breached the License Agreement.

160. Ubiquiti claims that Peraso improperly terminated the License Agreement.

161. Peraso properly terminated the License Agreement.

162. The dispute between Peraso and Ubiquiti is a justiciable controversy appropriate for declaratory judgment under the Declaratory Judgment Act, 28 U.S.C.A. §§ 2201, 2202.

Second Counterclaim
(Breach of Contract)

163. Peraso repeats and realleges paragraphs 94 through 162 as if set forth fully herein.

164. Peraso has fulfilled all of its obligations under the License Agreement and is not in breach of any contract or agreement with Ubiquiti.

165. Ubiquiti did not perform under the License Agreement.

166. Ubiquiti breached the License Agreement by not complying with Section 2.2 of the License Agreement.

167. Ubiquiti also breached the express duty of good faith as set forth in the License Agreement.

168. Ubiquiti's breaches substantially defeated the purpose of the contract and goes to the very root of the contract.

169. As a result of the breaches by Ubiquiti, Peraso has been irreparably harmed and damaged in an amount to be determined at trial.

Third Counterclaim
(Breach of Duty of Good Faith and Fair Dealing)

170. Peraso repeats and realleges paragraphs 94 through 169 as if set forth fully herein.

171. Implied in all contracts is a covenant of good faith and fair dealing which obligates the parties to act in good faith, to use their best efforts to deal fairly with one another and to do nothing that will impede the other party from obtaining the benefits of the contract.

172. By its conduct, Ubiquiti has breached the covenant of good faith and fair dealing and has deprived, impaired, destroyed and injured the rights of Peraso under the License Agreement and the Subscription Agreement.

173. Ubiquiti intentionally and maliciously frustrated the purpose of the License Agreement.

174. As a result of Ubiquiti's breach of the covenant of good faith and fair dealing, Peraso has suffered irreparable harm, general damages, special damages, and damages continuing into the future, in an amount to be determined at trial.

Fourth Counterclaim
(Prima Facie Tort)

175. Peraso repeats and realleges paragraphs 94 through 174 as if set forth fully herein.

176. Ubiquiti intended to, and in fact did, cause harm to Peraso.

177. Peraso was harmed by Ubiquiti's conduct and suffered special damages including diminution in the value of Peraso's business and costs associated with alternative financing, along with damage continuing into the future.

178. Ubiquiti engaged in the campaign of intentional harm with no excuse or justification.

179. Ubiquiti's conduct in damaging Peraso's business and depriving Peraso of capital investments has caused irreparable and grave harm to Peraso's business as well as damages in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Peraso hereby demands judgment against Ubiquiti as follows:

1. A declaration that: (a) Peraso properly and effectively terminated the License Agreement; and (b) Ubiquiti breached the License Agreement.

2. Monetary damages, including special damages and consequential damages, consisting of:
 - a) Remuneration for costs and expenses of seeking alternative financing, in an amount of at least \$1 million.
 - b) Diminution in the value of Peraso's business of at least \$100 million as a result of Ubiquiti's conduct;
3. In the alternative to a declaration that Peraso properly and effectively terminated the License Agreement, then rescission of the License Agreement;
4. Compensation in the amount of at least \$1 million for damage to goodwill and reputation of Peraso;
5. Punitive damages in the amount of at least \$10 million;
6. Costs, disbursements, and reasonable attorneys' fees for the defense of Ubiquiti's claims and prosecution of its own claims.

Dated: March 27, 2020

HODGSON RUSS LLP

Attorneys for Defendant Peraso Technologies Inc.

By: _____

Jodyann Galvin

jgalvin@hodgsonruss.com

The Guaranty Building

140 Pearl Street, Suite 100

Buffalo, New York 14202-4040

Tel: 716.856.4000

EXHIBIT "D"

EXHIBIT "D"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:

Nicholas A. ...

2C12EEAB5242430...

Commissioner for Taking Affidavits



Electronically issued
 Délivré par voie électronique : 08-Apr-2020
 Toronto

(Court Seal)

Court File No.

**ONTARIO
 SUPERIOR COURT OF JUSTICE**

UBIQUITI NETWORKS CANADA INC.

Plaintiff

and

**PERASO TECHNOLOGIES INC., BILL McLEAN, IMED ZINE, RIAD ZINE, JIM WHITAKER,
 SHAWN ABBOTT, DAVID ADDERLY, RONALD GLIBBERY, ROADMAP CAPITAL INC.,
 ROADMAP CAPITAL GENERAL PARTNER LTD., AS THE GENERAL PARTNER OF
 ROADMAP INNOVATION FUND I, ROADMAP PERASO LP, ROADMAP PERASO LP (US
 AND OFFSHORE), ROADMAP PERASO LP II, ROADMAP PERASO LP II (US AND
 OFFSHORE), and ROADMAP CAPITAL MANAGEMENT LIMITED, AS MANAGER OF
 ROADMAP INNOVATION FUND II**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date April 7, 2020

Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 8th Floor
Toronto ON M5G 1R7

TO:

PERASO TECHNOLOGIES INC.
144 Front Street West, Suite 685
Toronto, Ontario M5L 2L7

BILL McLEAN
13452 E. Desert Trail,
Scottsdale, Arizona
85259-2247

ROADMAP CAPITAL INC.
130 Bloor Street West, Suite 603
Toronto, Ontario M5S 1N5

ROADMAP CAPITAL GENERAL PARTNER LTD.
c/o ROADMAP CAPITAL INC.
130 Bloor Street West, Suite 603
Toronto, Ontario M5S 1N5

ROADMAP INNOVATION FUND I
c/o ROADMAP CAPITAL INC.
130 Bloor Street West, Suite 603
Toronto, Ontario M5S 1N5

ROADMAP PERASO LP
c/o ROADMAP CAPITAL INC.
130 Bloor Street West, Suite 603
Toronto, Ontario M5S 1N5

ROADMAP PERASO LP (US AND OFFSHORE)
c/o ROADMAP CAPITAL INC.
130 Bloor Street West, Suite 603
Toronto, Ontario M5S 1N5

71 Hillhurst Blvd.
Toronto, Ontario M5N 1N5

CLAIM

1. The Plaintiff claims as against the Defendants:
 - (a) a declaration that the Defendants' actions as described herein amount to oppression pursuant to section 248 of the Ontario *Business Corporations Act* ("OBCA");
 - (b) a declaration that Peraso Technologies Inc.'s ("Peraso") shareholder meeting held on March 12, 2020, and any and all votes taken, and resolutions approved, at that meeting are void;
 - (c) an Order setting aside any shareholder resolution having the effect of approving the Transactions (as defined herein) passed at the March 12, 2020 shareholder meeting;
 - (d) in the alternative to (c):
 - (i) an Order setting aside the conversion of the Class C Series 1 preferred shares held by Ubiquiti Networks Canada Inc. and any amendments to the Articles and USA (as those terms are defined herein) related to such conversion; and
 - (ii) an Order setting aside the terms concerning repayment of multiples of the principal and interest on the Notes on a Liquidation Event (as defined herein);
 - (e) in the alternative to (d), damages in a sum to be determined at trial corresponding to the distributions the Plaintiff would be entitled to if its Class C preferred shares had not been involuntarily converted to common shares and the reduction in value

in the securities held by the Plaintiff caused by the Defendants actions described herein;

- (f) costs on a substantial indemnity scale; and
- (g) such further and other relief as counsel may advise and/or this Honourable Court may permit to remedy the acts of oppression found against all, or some, of the Defendants and breaches of the USA (as defined herein).

The Parties

2. The Plaintiff Ubiquiti Networks Canada Inc. ("**Ubiquiti Canada**") is a wholly owned subsidiary of Ubiquiti Inc. ("**Ubiquiti**").
3. Ubiquiti Canada is a corporation incorporated under the laws of Ontario with its registered office located at Toronto, Ontario.
4. Through Ubiquiti Canada, Ubiquiti carries on business in Ontario and elsewhere in Canada.
5. Ubiquiti develops and markets professional network hardware and software that is used to create networking infrastructures throughout the world. It further develops and manufactures next generation consumer electronics for home and personal use.
6. The Defendant Peraso is a corporation incorporated under the laws of Ontario with its head office located at Toronto, Ontario.
7. Peraso develops and manufactures semiconductors, specializing in developing circuits for the wireless marketplace.

8. The Defendant Bill McLean was Peraso's President and CEO and the Chairman of Peraso's Board of Directors until the end of February 2020. Mr. McLean is also a Peraso shareholder. He resides in Arizona in the United States.

9. Peraso is principally funded through investments by venture capital firms.

10. The Defendant Roadmap Capital Inc. ("**Roadmap**") is a venture capital firm headquartered in Toronto, Ontario. It holds warrants to purchase Peraso common shares. It is the manager of the Defendant Roadmap Capital General Partner LTD, which is the general partner of the Defendants Roadmap Innovation Fund I, Roadmap Peraso LP (US and Offshore), Roadmap Peraso LP II, Roadmap Peraso LP II (US and Offshore), Roadmap Innovation Fund II, and Roadmap Innovation Fund (US and Offshore), each of which are Peraso shareholders along with the Defendant Roadmap Innovation Fund II (collectively, the "**Roadmap Investor Funds**"). The Defendant Roadmap Capital Management Limited is the manager of Roadmap Innovation Fund II. Roadmap, the Roadmap Investor Funds and Roadmap Capital Management Limited are collectively hereafter referred to as the "**Roadmap Defendants**".

11. The Defendants Imed Zine and Riad Zine are principals of Roadmap and Peraso directors. Both individuals reside in Toronto, Ontario.

12. The Defendant Jim Whitaker is an individual residing in Toronto, Ontario. Mr. Whitaker was a member of Peraso's Board of Directors until he resigned from the board on or about the end of February 2020. He is the Managing Partner of VL Advisors, Inc., which is the Manager and Investment Advisor of Venturelink Innovation Fund Inc. ("**Venturelink**"). Venturelink is a shareholder of Peraso.

13. The Defendant Shawn Abbott is an individual residing in Toronto, Ontario. Mr. Abbott was a member of Peraso's Board of Directors until he resigned from the board on or about the end of

February 2020. Mr. Abbott is the Vice President of iNovia Capital, Inc., which is the general partner of iNovia Management II Limited Partnership, which is the general partner of iNovia Investment Fund II, Limited Partnership, iNovia Investment Fund II-A, Limited Partnership, iNovia Investment Fund II-B, Limited Partnership, iNovia Peraso SPV, Limited Partnership, and iNovia Peraso SPV (International), Limited Partnership (collectively, “**iNovia**”). iNovia is a shareholder of Peraso.

14. The Defendant David Adderly is an individual residing in Toronto, Ontario. Mr. Adderly is a member of Peraso’s Board of Directors. He is also the President of Celtic-CGI SPV GP Inc., which is the general partner of Celtic GCI SPV LP I, the President of Celtic House General Partner (Fund III)(U.S.) Inc., which is the general partner of Celtic House Venture Partners Fund III (U.S.) L.P., the President of Celtic House SPV II LP, which is the general partner of Celtic House SPV II LP, and a partner in Celtic House General Partner (Fund III) Inc., which is the general partner of Celtic House Venture Partners Fund III L.P. (collectively, “**Celtic**”). Celtic is a shareholder of Peraso.

15. The Defendant Ronald Glibbery is an individual resident in Toronto, Ontario. Mr. Glibbery is the founder of Peraso and a member of Peraso’s Board of Directors. Mr. Glibbery is associated with The Glibbery Family Trust, which is a shareholder of Peraso.

Ubiquiti Canada Becomes a Peraso Shareholder in Conjunction with the Licence Agreement

16. On December 21, 2018, Ubiquiti and Peraso entered into a License and Development Agreement (the “**License Agreement**”). Pursuant to the License Agreement, Peraso agreed to develop certain chipsets exclusively for Ubiquiti.

17. Concurrent with the License Agreement, Ubiquiti Canada entered into a subscription agreement (the “**Subscription Agreement**”) for Peraso Class C Series 1 convertible preferred shares (“**Class C Preferred Shares**”).

18. Ubiquiti Canada made an investment of US\$5,000,000 in Peraso for 4,583,164 Class C Preferred Shares (with the exchange rate calculated as set forth in the Subscription Agreement).

19. Pursuant to the Subscription Agreement, the purchase price per Class C Preferred Share was set at CDN\$1.4790.

20. Ubiquiti Canada agreed to make certain additional equity investments in Peraso if, and when, certain development milestones were achieved by Peraso as set forth in the License Agreement.

Eighth Amended and Restated Unanimous Shareholders’ Agreement (“USA”)

21. As part of Ubiquiti Canada’s investment in Peraso, Peraso, Ubiquiti Canada, the Roadmap Defendants and Peraso’s other shareholders became parties to the USA.

22. Each of the Roadmap Defendants, VentureLink, iNovia and Celtic covenanted under the USA to cause their respective board nominees (the Defendants Imed Zine, Riad Zine, Jim Whittaker, Shawn Abbott and David Adderly) to act in accordance with the USA.

23. The Defendant Ron Glibbery also personally covenanted under the USA to take such steps as necessary to cause the Glibbery Family Trust to comply with the USA.

24. The USA conferred various specific rights and benefits to Ubiquiti Canada, including:

- (a) The right to have an observer (“**Ubiquiti Observer**”) attend all meetings of the Peraso board and any committees thereof, including the right to: (i) receive all notices of meetings and all other notices provided to members of the Peraso board,

and (ii) receive all written information provided to the board or any committee thereof, which information shall be provided to the Ubiquiti Observer concurrently with the provision of such information to the board or the applicable committee thereof (collectively, “**Ubiquiti Observer Rights**”).

- (b) A covenant by Peraso not to issue or sell any Class C Preferred Shares to anyone carrying on business in the same general industry in which Ubiquiti carries on business.
- (c) A right of first refusal (“**ROFR**”) in the event Peraso or any shareholder receives from any person (including any shareholder) a bona fide, arm’s length written offer or written proposal to enter into or concerning any possible Sale Transaction (as defined in section 6.7 of the USA) should Qorvo International Pte. Ltd. (another Peraso shareholder) not exercise its ROFR within the specified period of time.
- (d) A covenant requiring an acquiror of Peraso to assume Peraso’s obligations and rights under the License Agreement.
- (e) The prohibition of any amendment or waiver of various provisions in the USA including:
 - (i) Any of the foregoing rights and benefits.
 - (ii) Removal of any Class C Preferred Shares issued or issuable pursuant to the Subscription Agreement from the definition of “Permitted Additional Securities” under the USA.

Rights to Class C Preferred Shares under Peraso's Articles

25. In accordance with Peraso's Articles of Amendment dated March 2, 2016 ("**Articles**"), Peraso's various classes of preferred shares (Class A, Class B and Class C) were entitled to preferred dividends, liquidation priorities and other financial consideration greater than Peraso's common shares.

26. Although Peraso's Class C Preferred Shares rank on a parity basis with every other class of preferred shares in terms of priority of payment of dividends and in the distribution of assets in the event of the voluntary or involuntary liquidation, dissolution or winding up of Peraso, the payments or distributions to Class C Preferred Shares are calculated based on a higher "original issue price" (as that term is defined in the USA) than the Class A or Class B preferred shares.

27. Specifically, preferred shares are entitled to distributions of an amount for each preferred share equal to the applicable original issue price, which is higher for Class C Preferred Shares than Class A or Class B preferred shares.

Peraso's Insolvency

28. By the Fall of 2019, Peraso's financial position had deteriorated to near or actual insolvency, and it needed further capital in 2020 to continue to operate.

29. Peraso began to explore a sale of Peraso to a third-party purchaser (the "**Sale Transaction**").

30. By early December 2019, Peraso's President and CEO, Bill McLean, forecasted that Peraso would need \$20 million in new funding to achieve a cash positive position in 2021.

31. In fact, during December 2019 and the first two months of 2020, Peraso's directors were made aware by Mr. McLean, on more than one occasion, that if the Sale Transaction did not

proceed, Peraso would “need to shut the company down” and “Peraso will not be able to continue operations.”

32. The Sale Transaction was contingent on the buyer not assuming Peraso’s exclusivity obligations under the License Agreement, as otherwise required under the USA. Ultimately the Sale Transaction did not proceed much beyond the delivery in late January 2020 of a non-binding, one-and-a-half-page Indication of Interest with material terms remaining to be negotiated.

33. As described below, Peraso warned shareholders on or about March 2, 2020 that Peraso would need to file for bankruptcy, receivership or insolvency unless the reorganization of Peraso’s class of shares was approved by shareholders.

Board Observer Rights Breached

34. The Roadmap Defendants had the greatest exposure relative to Peraso’s other shareholders should Peraso file for bankruptcy or protection from its creditors.

35. The family trust and other venture capital funds related to the Peraso board members also faced losses if Peraso filed for bankruptcy or protection from its creditors.

36. Consequently, beginning in mid October 2019, while serving as Peraso directors, the Defendants Bill McLean, Imed Zine, Riad Zine, Jim Whittaker, Shawn Abbott, David Adderly and Ron Glibbery (the “**Director Defendants**”) exercised their judgment putting priority over their own personal interests and those of the family trusts or venture capital funds they were associated with ahead of the best interests of Peraso and its full complement of stakeholders, including Ubiquiti Canada.

37. Specifically, contrary to the terms of the USA, beginning in mid-October 2019, the Director Defendants intentionally directed or acquiesced in Peraso ceasing to provide notice of board and

committee meetings, and all related information supplied to directors, to the Ubiquiti Observer in breach of the Ubiquiti Observer Rights under the USA.

38. Peraso and each of the shareholders for whom the Director Defendants were nominees had agreed to be bound by the obligations under the USA and to take steps to comply with those terms. Despite these obligations, the Director Defendants did not comply with the observer obligations granted to Ubiquiti Canada in the USA.

39. Peraso and the Director Defendants hid from the Ubiquiti Observer discussions regarding terms for the reorganization of Peraso's share capital involving the issuance of convertible notes and other matters. These efforts were aimed at improving the position of the Roadmap Defendants and those other shareholders for whom the Director Defendants were nominees relative to Ubiquiti Canada if Peraso became bankrupt or otherwise subject to protection from its creditors.

40. The Defendants breached the Ubiquiti Observer Rights under the USA in order to deny Ubiquiti Canada the information which it would otherwise be entitled so that Ubiquiti Canada would be unable to oppose, or would be materially hindered in opposing, such efforts, including by presenting alternative proposals to Peraso's shareholders and other stakeholders than those being advanced by the Defendants.

41. The Defendants' actions in breaching the Ubiquiti Observer Rights under the USA were not only a breach by Peraso, the Roadmap Defendants and Glibbery of their contractual obligations under the USA but also constitute oppressive conduct by each of the Defendants that was unfairly prejudicial to Ubiquiti Canada. Ubiquiti Canada had the reasonable expectation that the terms of the USA would be adhered to.

42. Furthermore, by deliberately excluding the Ubiquiti Observer from Board meetings and information provided to directors, the Defendants unfairly disregarded Ubiquiti Canada's reasonable expectation that Peraso and its board would explore reasonably available alternatives in the circumstances, including alternatives that could be proposed by Ubiquiti Canada as a shareholder and by Ubiquiti as a material customer of Peraso.

43. The Defendants are liable to Ubiquiti Canada for any reduction in distributions to Ubiquiti Canada and value in the Peraso securities it now holds caused by the Transactions (as defined below) if the Transactions are not otherwise set aside herein by the Court.

Secured Convertible Notes

44. On March 2, 2020, Peraso emailed to shareholders a Notice of Special Meeting of Shareholders (the "**Notice**") to be held on March 12, 2020 at 8:00 a.m. Included with the Notice was a Management Information Circular and Form of Proxy.

45. The Notice stated that the meeting was to consider and vote on a special resolution to approve a series of transactions (the "**Transactions**") consisting of:

- (a) An offering by Peraso (the "**Offering**") of a maximum of US\$15,000,000 in aggregate of secured convertible notes (the "**Notes**").
- (b) Amendments to the Articles to reflect the conversion of all preferred shares to common shares based on a 1:1 conversion ratio of common shares for Class A or Class B preferred shares and a conversion ratio of 1.479 common shares for each Class C preferred share. The conversion ratios correspond to the original issue price paid by the preferred shareholders for the applicable preferred share, which in the case of Ubiquiti Canada was \$1.479 per Class C Preferred Share.

- (c) An amendment to the USA to reflect that (i) the Peraso board shall consist of a minimum of five and a maximum of seven directors, of which four of such directors will be nominees of Roadmap; and (ii) any required shareholder approval include the approval of any subscriber pursuant to the Offering that subscribes for a minimum US\$3,000,000 principal of the Notes.

46. Roadmap, through certain of the Roadmap Investment Funds, is the only person who has subscribed to the Notes. It has subscribed for only \$3,885,000 of the Notes.

47. The additional capital raised from Roadmap through the Offering is insufficient for Peraso to continue operations beyond a few months. Rather, what the Transactions have achieved is to effect a *de facto* change in control in Peraso and put Roadmap in a preferred position both in terms of acquiring Peraso or should Peraso become bankrupt.

48. The Transactions were pursued at the urging of Roadmap.

Calling of Shareholder Meeting Invalid

49. Prior to the Peraso board's approval of the Transactions and the Notice and Management Information Circular (the "**Circular**"), the Defendants Bill McLean, Jim Whittaker and Shawn Abbott resigned as directors.

50. Hence, Peraso lacked the minimum number of directors (five) required under the USA for board actions. The approval of the Notice and Management Information Circular by the Peraso board was consequently void. Peraso's board could not validly take any actions while it lacked the minimum required number of Board members.

51. As such, the shareholders' meeting and any resolutions or other business conducted thereat were invalid.

Circular Fails to Disclose Material Information and Misrepresents Available Options

52. The Notice and Circular falsely represented to shareholders that, “If the necessary approvals are not received, then the Corporation will need to make the necessary filings for bankruptcy, receivership or insolvency.”

53. Before approving the Circular and causing it to be sent to shareholders, Peraso and its remaining directors, Imed Zine, Riad Zine, David Adderly and Ron Glibbery (the “**Remaining Peraso Directors**”), half of whom were nominees and officers of the Roadmap Defendants, were aware that Ubiquiti Canada had offered to make a bridge loan to Peraso that would allow it to continue operations while Ubiquiti and/or Ubiquiti Canada conducted due diligence to thereafter make an offer to purchase Peraso or to propose some other strategic alternative that would allow Peraso to continue operations.

54. Contrary to their obligations to disclose all material information for shareholders in the Circular, Peraso and the Remaining Peraso Directors intentionally withheld from the Circular Ubiquiti Canada’s loan offer as an alternative to the Transactions. Instead, they misrepresented to shareholders that the only alternative to the Transactions was for Peraso to file for bankruptcy.

55. Furthermore, the Notice was sent intentionally with only the bare minimum notice period (10 days) permitted under the OBCA. In so doing, the Notice made no allowance for the prescribed time and procedure under the OBCA for Ubiquiti Canada or any other shareholder to submit a proposal to Peraso to be raised before the deadline for the return of proxies for the meeting.

56. Despite these measures to prevent, or at least severely hinder, Ubiquiti Canada’s ability to raise alternatives to the Transactions, consistent with its prior offer of a bridge loan, Ubiquiti Canada delivered to Peraso and the Remaining Peraso Directors an advanced draft of a loan agreement with customary business terms on March 11, 2020.

57. Peraso and the Remaining Peraso Directors failed to disclose to shareholders that Ubiquiti Canada had offered and delivered a proposed loan agreement as an alternative to the Transactions.

58. No efforts were made by Peraso or the Remaining Peraso Directors to engage in discussions with Ubiquiti Canada or Ubiquiti to finalize the loan agreement.

59. Ubiquiti Canada's loan offer was a material fact that was required to have been disclosed to shareholders in advance of shareholders being asked to vote on the Transactions.

60. Peraso and the Remaining Peraso Directors intentionally withheld that material fact from shareholders.

Circular Fails to Disclose Material Effects of the Transactions

61. The terms for the Notes provided that in the event of the liquidation, dissolution or winding up of Peraso or a Change of Control Event (as that term is defined in the Articles) (collectively, a "**Liquidation Event**") prior to the conversion or repayment of the Notes, Peraso was obliged to pay between two and three times the principal and all accrued but unpaid interest then outstanding on the Notes.

62. Although the Circular disclosed the foregoing, it failed to disclose to shareholders that the foregoing terms constituted:

- (a) an illegal rate of interest upon a Liquidation Event occurring before the principal was repaid;
- (b) a preference to Roadmap over creditors; and

- (c) a *de facto* “poison pill” discouraging any offers to purchase Peraso while the Notes remain outstanding, placing Roadmap in a preferential position to acquire Peraso without competing offers.

63. The Circular further failed to disclose that the proposed amendments to the USA had the effect of a change of control giving *de facto* control over Peraso to Roadmap through changes to director composition and the requirements for shareholder approval, including effectively giving Roadmap a veto.

Amendment to Class C Preferred Share Conversion Rate on the Eve of Meeting

64. Following Ubiquiti Canada delivering to Peraso and the Remaining Peraso Directors the loan agreement, Peraso and the Remaining Peraso Directors chose to amend the resolution that would be presented to shareholders to vote on at the shareholder meeting. However, the amendment was not to disclose Ubiquiti Canada’s loan offer but instead to materially reduce the conversion ratio that would apply to the preferred shares held by Ubiquiti Canada.

65. Specifically, the amended resolution now reduced the conversion ratio that would apply to the Class C Preferred Shares to 1.25 common shares for each Class C Preferred Share. Initially, the Notice disclosed a conversion ratio of 1.4790 common shares for each Class C Preferred Share.

66. The effect of the amendment was to convert Ubiquiti Canada’s Class C Preferred Shares at less than their original purchase price (and lower than their current value), whereas all other preferred shareholders would be converted based on the corresponding original purchase price or higher.

67. An amended and restated term sheet for the Notes ("**Amended Term Sheet**") was delivered by email to shareholders after 5 p.m. the day before the shareholder meeting was scheduled to take place at 8 a.m.

68. Furthermore, the Amended Term Sheet was delivered one day after the deadline for delivery of all proxies.

69. No indication was given to shareholders as to what was amended in the Amended Term Sheet, nor was any explanation provided to shareholders as to the reason for the amendment or its impact.

70. The amendment was a material amendment to the Transactions. Insufficient notice and disclosure were provided to shareholders of what would now be the subject matter of the vote at the shareholder meeting.

71. The Amended Term Sheet was circulated after Ubiquiti Canada had delivered the proposed loan agreement to Peraso and the Remaining Peraso Defendants. Peraso and the Remaining Peraso Directors both failed to disclose that a loan from Ubiquiti Canada was available as an alternative to the Transactions, and further falsely represented to shareholders that the only alternative to the Transactions was a filing for bankruptcy. In truth, Ubiquiti Canada's loan offer would allow Peraso to continue to operate and meet its ongoing obligations while the possibility of a sale or other strategic transaction with Ubiquiti and/or Ubiquiti Canada was explored.

72. The failure to give timely and accurate disclosure to shareholders in advance of the meeting renders any vote at the shareholder meeting void.

73. Notwithstanding the foregoing, the Defendants have taken the position that the meeting and vote to approve the Transactions is valid. The Defendants have commenced steps to put into effect the changes to the USA and Articles.

Additional Breaches to the USA

74. Among the changes the Defendants have made to the USA are changes that pursuant to the USA can only be made with Ubiquiti Canada's written consent, which has not been provided.

75. Specifically, in breach of the USA, the Defendants have removed from the amended USA:

- (a) the covenant not to issue or sell any Class C preferred shares to anyone carrying on business in the same general industry in which Ubiquiti carries on business, and each of its current and former parents, subsidiaries and affiliates.
- (b) Class C preferred shares from the definition of "Permitted Additional Securities" under the USA.

76. These covenants had the effect of prohibiting the involuntary conversion of Ubiquiti Canada's Class C Series Preferred Shares to common shares without its consent. Alternatively, they reasonably gave rise to an expectation that Ubiquiti Canada's consent would be required to eliminate that class of shares.

77. Hence, it is contrary to both the terms of the USA and Ubiquiti Canada's reasonable expectation for Peraso to convert the Class C Preferred Shares to common shares without Ubiquiti Canada's consent.

Causes of Action

78. Ubiquiti Canada reasonably expected that the terms under the USA would be complied with and that Peraso and its directors would act in compliance with the OBCA and corporate law more generally.

79. Peraso, the Roadmap Defendants and Glibbery breached their obligations under the USA to (a) give effect to Ubiquiti's Observer Rights and (b) obtain Ubiquiti Canada's consent to both

convert Class C Preferred Shares to common shares and make the noted amendments to the USA.

80. The Director Defendants acted in an oppressive manner in failing to consider reasonably available alternatives to Peraso's liquidity problems by withholding from Ubiquiti Canada information to which it was otherwise entitled.

81. The Director Defendants further ceased acting in the best interests of Peraso and instead acted with a view to their own personal or their nominees' individual interests. In exercising their director duties in furtherance of their own personal or their nominees' best interests, the Director Defendants carried out their director functions in an oppressive manner contrary to Ubiquiti Canada's reasonable expectation that the Director Defendants would act at all times in the interests of Peraso and in compliance with the terms of the USA.

82. Peraso, the Roadmap Defendants and Glibbery are in breach of the USA in purporting to take board action without the minimum number of board members required. Peraso and the Remaining Peraso Directors further acted in an oppressive manner in proceeding with purported board actions without the minimum number of board members required under the USA.

83. Peraso and the Remaining Peraso Directors are in breach of their obligations under the OBCA and corporate law to have provided timely notice and full disclosure of material facts, including alternatives to the Transactions, in relation to the resolution placed before Peraso shareholders on March 12, 2020. Instead, the Circular misrepresented that bankruptcy was the only alternative to the Transactions.

84. The Plaintiff pleads and relies on sections 96(a) and 96(6) of the OBCA as to the requirements for notice and disclosure for shareholder meetings, which were breached by the Defendants for the reasons set forth above.

85. The Remaining Peraso Directors have further engaged in oppressive conduct in purportedly approving the Notes which contain punitive and unusual terms triggered on a Liquidation Event, which terms effectively operate as a poison pill to deter any sale proposal that will give rise to a change of control from the *de facto* control Roadmap obtained under the Transaction and further placing Roadmap in a preferred position to acquire Peraso.

86. Peraso, the Roadmap Defendants and Glibbery have breached the USA in converting the Class C Series Preferred Shares held by Ubiquiti Canada and otherwise making changes to the USA without Ubiquiti Canada's consent.

87. In the alternative, the actions of Peraso and the Remaining Peraso Directors directed at converting Ubiquiti Canada's Class C Series Preferred Shares to common shares without Ubiquiti Canada's consent and/or at a conversion rate below the original issue price of \$1.4790 per share was an oppressive act that unfairly disregarded Ubiquiti Canada's reasonable expectation that its Class C Preferred Shares would not be converted without its consent and that any conversion would be on reasonable terms.

88. The Plaintiff further pleads and relies on section 347(s) of the *Criminal Code* and section 4 of Ontario's *Assignments and Preferences Act*.

89. Service of this Statement of Claim outside of Ontario is permitted pursuant to Rules 17.02(f), (n) and (p) of the *Rules of Civil Procedure*. The USA is governed by Ontario law.

90. The Plaintiff proposes the trial of this Action take place in Toronto, Ontario.

April 7, 2020

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Lawyers for the Plaintiff

UBIQUITI NETWORKS CANADA INC.
Plaintiff

-and- PERASO TECHNOLOGIES INC. et al

Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF CLAIM

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EXHIBIT "E"

EXHIBIT "E"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:
Nicholas A. Ains
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Commissioner for Taking Affidavits

Court File No.: CV-20-00639269-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

UBIQUITI NETWORKS CANADA INC.

Plaintiff

- and -

PERASO TECHNOLOGIES INC., BILL McLEAN, IMED ZINE, RIAD ZINE, JIM WHITAKER, SHAWN ABBOTT, DAVID ADDERLY, RONALD GLIBBERY, ROADMAP CAPITAL INC., ROADMAP CAPITAL GENERAL PARTNER LTD., AS THE GENERAL PARTNER OF ROADMAP INNOVATION FUND I, ROADMAP PERASO LP, ROADMAP PERASO LP (US AND OFFSHORE), ROADMAP PERASO LP II, ROADMAP PERASO LP II (US AND OFFSHORE), and ROADMAP CAPITAL MANAGEMENT LIMITED, AS MANAGER OF ROADMAP INNOVATION FUND II

Defendants

STATEMENT OF DEFENCE

1. The defendants Peraso Technologies Inc. ("**Peraso**"), William Alexander McLean, Imed Zine-El-Abidine, Riadh Zine-El-Abidine, Jim Whitaker, Shawn Abbott, David Adderley, Ronald Glibbery (together, the "**Director Defendants**"), Roadmap Capital Inc., Roadmap Capital General Partner Ltd., as the General Partner of Roadmap Innovation Fund I, Roadmap Peraso LP, Roadmap Peraso LP (US and Offshore), Roadmap Peraso LP II, Roadmap Peraso LP II (US and Offshore), and Roadmap Capital Management Limited, as manager of Roadmap Innovation Fund II (together, the "**Roadmap Defendants**") admit the allegations contained in paragraphs 2, 3, 5, 6, 7, 8 (first and third sentences only), 9, 10 (first sentence only), 11, 12, 13 (first and second sentences only), 14 (first and second sentences only), 15, 18, 20, 21, 28, 29, and 49 of the statement of claim.

2. As to paragraphs 16, 17 and 21 to 24, Peraso, the Director Defendants and the Roadmap Defendants (together, the "**Defendants**") acknowledge that:

- (a) Peraso and Ubiquiti Networks, Inc. (now Ubiquiti Inc.) ("**Ubiquiti**") entered into a License and Development Agreement, dated December 21, 2018 (the "**License Agreement**");
- (b) Peraso and Ubiquiti Networks Canada Inc. ("**Ubiquiti Canada**") entered into a Class C Series 1 Convertible Preferred Share Subscription Agreement, dated December 21, 2018 (the "**Subscription Agreement**"); and
- (c) Peraso and its shareholders entered into an Eighth Amended and Restated Unanimous Shareholders Agreement, dated December 21, 2018 (the "**Eighth USA**");

but in each such case, the Defendants plead and rely on the terms of such agreements and not the characterizations set out in the statement of claim.

3. Unless otherwise expressly admitted herein, the Defendants deny, or have no knowledge of, all other allegations contained in the statement of claim. In particular, the Defendants deny that the Plaintiff is entitled to any of the relief set forth at paragraph 1 of the statement of claim.

The Parties

4. Ubiquiti Canada is a corporation incorporated under the laws of Ontario with a registered head office at 141 Adelaide Street West, Suite 701, Toronto, Ontario M5H 3L5. Ubiquiti Canada is a wholly owned subsidiary of Ubiquiti, a publicly traded corporation (NYSE:UI) incorporated under the laws of Delaware having a place of business at 685 Third Ave, 27th Floor, New York, NY 10017. Ubiquiti develops technology platforms for high-capacity distributed internet access, unified information technology, and next-generation consumer electronics for home and personal use and sells equipment and software through a network of distributors.

5. Peraso is a corporation incorporated under the laws of Ontario with a registered head office at 144 Front Street West, Suite 685, Toronto, Ontario M5J 2L7. Peraso is a

fabless¹ semiconductor² company specializing in the development of integrated circuits for the 60 GHz marketplace for mobile devices, including smartphones, tablets, and digital cameras. Peraso is a venture capital funded company.

6. William Alexander McLean is an individual residing in Scottsdale, Arizona and is a former member of the Board of Directors and the former President and CEO of Peraso. Mr. McLean resigned from the Board of Directors and as President and CEO of Peraso on or around February 28, 2020.

7. Imed Zine-El-Abidine is an individual residing in Toronto, Ontario. Mr. I. Zine-El-Abidine is a member of the Board of Directors of Peraso and a member of the Board of Directors of Roadmap Capital Inc.

8. Riadh Zine-El-Abidine is an individual residing in Toronto, Ontario. Mr. R. Zine-El-Abidine is a member of the Board of Directors of Peraso and Chairman of the Board of Directors of Roadmap Capital Inc.

9. Jim Whitaker is an individual residing in Toronto, Ontario and is a former member of the Board of Directors of Peraso. Mr. Whitaker resigned from the Board of Directors of Peraso on or around February 28, 2020.

10. Shawn Abbott is an individual residing in Calgary, Alberta and is a former member of the Board of Directors of Peraso. Mr. Abbott resigned from the Board of Directors of Peraso on or around February 28, 2020.

11. David Adderley is an individual residing in Ottawa, Ontario. Mr. Adderley is a member of the Board of Directors of Peraso.

12. Ronald Glibbery is an individual residing in Toronto, Ontario. Mr. Glibbery is a member of the Board of Directors of Peraso. Following Mr. McLean's resignation, Mr. Glibbery became Peraso's interim CEO.

¹ "Fabless" means that the fabrication of silicon wafers (or chips) used in Peraso's products is outsourced to a plant or foundry.

² A semiconductor is a material product usually comprised of silicon, which conducts electricity more than an insulator, such as glass, but less than a pure conductor, such as copper or aluminum. Nearly any device that is computerized or that uses radio waves depends on semiconductors to function.

13. Roadmap Capital Inc. is a corporation incorporated under the laws of Canada with a registered head office at 130 Bloor Street West, Suite 603, Toronto, Ontario M5S 1N5. Roadmap Capital Inc. is an investment management services firm that carries on business through various affiliates.

14. Roadmap Capital Management Ltd. and Roadmap Capital General Partner Ltd. are affiliates of Roadmap Capital Inc. Roadmap Capital General Partner Ltd. is general partner of Roadmap Innovation Fund I, Roadmap Innovation Fund II, Roadmap Peraso LP, Roadmap Peraso LP (US and Offshore), Roadmap Peraso LP II, and Roadmap Peraso LP II (US and Offshore).

15. Of the Roadmap Defendants, at the time that the Eighth USA was entered into, only Roadmap Innovation Fund I, Roadmap Peraso LP, Roadmap Peraso LP (US and Offshore), Roadmap Peraso LP II, Roadmap Peraso LP II (US and Offshore) and Roadmap Innovation Fund II held shares of Peraso. None of the Roadmap Defendants that is a shareholder of Peraso is an "affiliate" of Peraso as defined in the Ontario *Business Corporations Act*, RSO 1990, c B.16 ("**OBCA**").

December 2018: The Peraso-Ubiquiti Transaction

16. On December 21, 2018, Peraso and Ubiquiti entered into a License Agreement, which was part of a larger transaction (the "**Peraso-Ubiquiti Transaction**") whereby Peraso and Ubiquiti and Ubiquiti Canada (or their affiliates) also entered into the following agreements:

- (a) the Subscription Agreement;
- (b) the Letter Agreement in respect of Class C Series 1 Convertible Preferred Share Subscription Agreement, dated December 21, 2018; and
- (c) the Master Purchase and Supply Agreement between Peraso and Ubiquiti Cayman Limited, dated December 21, 2018.

17. Under the License Agreement, Peraso agreed to develop certain chipsets to Ubiquiti's specifications. A chipset is a set of electronic components which consists of at least one radio device, one baseband device, and, typically, an antenna. The License

Agreement also included an exclusivity clause that provided, with few exceptions, that Peraso would refrain from manufacturing, distributing, offering or selling any of the licensed chipsets covered by the License Agreement to anyone other than Ubiquiti or its affiliates.

18. Peraso's progress under the License Agreement was measured by three milestones (the "**First, Second, and Third Tranche Development Milestones**" or the "**Tranche Development Milestones**"). Upon satisfaction of the Tranche Development Milestones, Ubiquiti would cause Ubiquiti Canada to purchase certain amounts of Class C Series 1 Convertible Preferred Shares ("**Class C Shares**") of Peraso pursuant to the Subscription Agreement.

19. The Tranche Development Milestones and the corresponding obligations of Ubiquiti and Ubiquiti Canada under the Subscription Agreement were material aspects of the Peraso-Ubiquiti Transaction. They established the sequence of the work to be performed by Peraso and provided a predictable flow of capital to Peraso.

20. The First Tranche Development Milestone had been satisfied at the time Peraso and Ubiquiti entered into the License Agreement on December 21, 2018. Such satisfaction was memorialized in section 2.1(i) of the License Agreement. Accordingly (and in connection with the closing of the Peraso-Ubiquiti Transaction), on December 21, 2018, Ubiquiti Canada purchased 4,583,164 Class C Shares of Peraso for USD \$5,000,000 (representing a price per share of USD \$1.4790) pursuant to section 2.1(a) of the Subscription Agreement and entered into the Eighth USA.

Ubiquiti Canada's Class C Shares

21. In connection with the Peraso-Ubiquiti Transaction and Ubiquiti Canada's purchase of 4,583,164 Class C Shares of Peraso, Peraso, Ubiquiti Canada, and the other shareholders of Peraso entered into the Eighth USA.

22. The Class C Shares rank *pari passu* with every other every other class³ of preferred shares of Peraso with respect to priority in payment of dividends and the

³ The classes of preferred shares of Peraso are set out in the Amended and Restated Articles of Incorporation of Peraso, dated March 2, 2016 (the "**Articles**") and include Class A Preferred Shares, Class B Preferred Shares, Class B Series 1 Preferred Shares, Class C Preferred Shares, and Class C Series 1 Preferred Shares (as defined therein).

distribution of assets in the event of the liquidation, dissolution or winding-up of Peraso, whether voluntary or involuntary.

23. That said, section 3(b) of the Articles provides that upon a Liquidation Event (as defined therein) and the distribution of the Preferred Preferential Amount (as defined therein), holders of Class C Shares shall receive an aggregate amount equal to three times the Original Issue Price (as defined therein) applicable to each share and holders of Class A Preferred Shares and Class B Series 1 Preferred Shares shall receive an aggregate amount equal to five times the Original Issue Price (as defined therein) applicable to each share. Further, while each of the classes of preferred shares is convertible to common shares of Peraso ("**Common Shares**") under section 5 of the Articles, the ratio at which conversion occurs is determined by the Original Issue Price (as defined therein) applicable to each share.

24. Contrary to the allegation at paragraph 76 of the statement of claim, nothing in the Eighth USA or anywhere else prohibited the conversion of Ubiquiti Canada's Class C Shares into Common Shares if required in order to conclude a debt financing. The Defendants deny that Ubiquiti and/or Ubiquiti Canada ever reasonably expected that its consent would be required in such circumstances.

25. All shareholders (including Ubiquiti and Ubiquiti Canada) agreed in section 6.9 of the Eighth USA to approve the terms of any equity or debt financing (including, in particular, any changes to the Articles of Peraso required for the purposes of the offering) provided that that the Board of Directors of Peraso and a Preferred Majority of shareholders (as defined in the Eighth USA) approved its terms. All shareholders further waived any right to dissent with respect to any changes to the Articles required for purposes of the offering.

26. Section 6.9 of the Eighth USA provides:

If the Board and a Preferred Majority determine that it is in the best interests of the Corporation to proceed with a debt or equity financing of the Corporation (including, without limitation, an Initial Public Offering) (an "Offering"): (i) each of the Shareholders agrees to exercise the votes attaching to its Securities (including, without limitation, any Securities that are deemed to have been issued to such Shareholder under

the terms of this Agreement for such purpose) and otherwise provide any consents or approvals required under the Securities and any other securities of the Corporation held by such Shareholder **and to otherwise act to approve any such Offering, including without limitation, approving any required changes or amendments to the Articles (which may include amendments to the capital of the Corporation or amendments to facilitate the issuance or transfer of Securities or other securities of the Corporation under any applicable laws) and this Agreement approved by the Preferred Majority for the purpose of such Offering; and (ii) each Shareholder hereby expressly waives any right to dissent with respect to any changes to the Articles (including, without limitation, any changes described in (i) above) which are required for the purpose of any such Offering.**
[Emphasis added]

27. Ubiquiti Canada was not a significant Peraso shareholder. At the time of the Eighth USA, it held 8.8% of the Class C Shares and only 4.4% of the overall equity of Peraso. The following entities held Class C Shares of Peraso in addition to Ubiquiti Canada:

- (a) Polar Multi-Strategy Master Fund (4,181,879);
- (b) Qorvo International Pte. Ltd. ("**Qorvo**") (12,203,911);
- (c) Celtic House SPV II Limited Partnership (101,419);
- (d) CELTIC-GCI SPV LP 1 (2,683,480);
- (e) iNovia Investment Fund II, Limited Partnership (363,215);
- (f) iNovia Investment Fund II-A, Limited Partnership (49,016);
- (g) iNovia Investment Fund II-B, Limited Partnership (94,869);
- (h) iNovia Peraso SPV (International), Limited Partnership (676,133);
- (i) iNovia Peraso SPV, Limited Partnership (1,014,199) (together with the iNovia entities listed in subparagraphs 27(e) through (h), "**iNovia**");
- (j) Roadmap Peraso LP II (11,931,707);

- (k) Roadmap Peraso LP II (US and Offshore) (3,613,474); and
- (l) Integrated Device Technology Malaysia Sdn Bhd (4,532,314).

January 2019 – October 2019: Ubiquiti Breaches the License Agreement; Refuses to Fund Peraso

28. The License Agreement provided that the Second Tranche Development Milestone was due on or before January 31, 2019 and the Third Tranche Development Milestone was due on or before October 31, 2019.

29. The work to be completed by Peraso to satisfy the Second and Third Tranche Development Milestones was set out in Appendix 2 to the License Agreement. Section 2.2 of the License Agreement governed the process relating to the satisfaction of the Tranche Development Milestones:

2.2. Peraso will give Customer written notice of when it believes that it has achieved the Second Tranche Development Milestone and, subsequently, the Third Tranche Development Milestones. Within 30 days of receipt of each such notice, Customer will review and conduct such testing as it reasonably considers necessary in order to determine whether the Acceptance Criteria in respect of the applicable Milestone have been satisfied. At the end of each such 30 days period, **Customer shall provide Peraso with written notice of rejection or acceptance of whether Peraso has demonstrated the satisfaction of the Acceptance Criteria in respect of the Second Tranche Development Milestone and Third Tranche Development Milestone (as applicable) to the reasonable satisfaction of Customer, acting in good faith. If Customer believes, acting reasonably, that the Acceptance Criteria for the applicable Milestone have not been satisfied ("Rejection"), Customer will give Peraso notice in writing setting out in adequate detail the reason for such Rejection ("Notice of Defect"). If a Notice of Defect has been issued by Customer, Peraso shall start to correct the defects identified in such Notice of Defect within two (2) business days of receipt by Peraso of such Notice of Defect and Peraso will provide an estimate of the time required to correct such defects within seven (7) days of receipt by Peraso of such Notice of Defect while continuing to work on the corrective actions. Peraso shall take into account any feedback provided by Customer in respect of such proposed**

corrective action. Upon completion of such corrective actions by Supplier, Customer shall retest any against the applicable Acceptance Criteria in accordance with the process set out above. The provisions of this section shall be without prejudice to Customer's rights under section 3.5. [Emphasis added]

30. On January 29, 2019, Peraso gave proper notice to Ubiquiti under section 2.2 of the License Agreement that it believed that the Second Tranche Development Milestone had been met. Ubiquiti did not confirm that the acceptance criteria for the Second Tranche Development Milestone had been satisfied, nor did Ubiquiti provide written notice of a rejection setting forth in adequate detail the reason for such rejection. Ubiquiti's failure to give a formal acceptance or rejection of the Second Tranche Development Milestone constituted a breach of the License Agreement.

31. Under the terms of the Subscription Agreement, Ubiquiti was obligated to cause Ubiquiti Canada to purchase USD \$2,000,000 Class C Shares of Peraso upon the satisfaction of the Second Tranche Development Milestone. Ubiquiti Canada did not make the USD \$2,000,000 investment.

32. Despite Ubiquiti's breach, Peraso continued working towards the Third Tranche Development Milestone in good faith. Peraso expected that, in the absence of a formal acceptance or rejection to the Second Tranche Development Milestone, the requisite investment from Ubiquiti Canada would be forthcoming.

33. From July 2019 through October 31, 2019, Ubiquiti made multiple unilateral requests to change the deliverables and specifications under the License Agreement. Peraso continued to work with Ubiquiti in good faith. Starting on or around August 26, 2019 and continuing until the Third Tranche Development Milestone deadline of October 31, 2019, Ubiquiti demanded that (i) the chipset specifications be changed, and (ii) that it be given joint and equal ownership rights to the intellectual property covered by the License Agreement and any related intellectual property. What Ubiquiti was requesting was outside of the terms of the License Agreement. Nonetheless, Ubiquiti threatened that it would cause Ubiquiti Canada to withhold the Third Tranche Development Milestone investment of USD \$8,000,000 if its demands were not met. Peraso never agreed to Ubiquiti's demands.

34. On October 31, 2019, Peraso gave proper notice that it believed that it had achieved the Third Tranche Development Milestone. Accordingly, Ubiquiti had 30 days under section 2.2 of the License Agreement to provide a written notice of rejection or acceptance. Once again, Ubiquiti did not confirm that the acceptance criteria set forth in the License Agreement had been met nor did Ubiquiti provide a written notice of rejection. Ubiquiti's failure to provide the requisite confirmation constituted a breach of the License Agreement. Under the terms of the Subscription Agreement, Ubiquiti was obligated to cause Ubiquiti Canada to purchase USD \$8,000,000 Class C Shares of Peraso upon the satisfaction of the Third Tranche Development Milestone. Ubiquiti Canada did not make the USD \$8,000,000 investment.

35. Despite failing to comply with section 2.2 of the License Agreement and not making the contemplated USD \$10,000,000 investment in Peraso, Ubiquiti ordered 100,000 units of chipsets in February 2020 that met the specifications set forth by the Third Tranche Development Milestone.

December 2019: Ubiquiti Canada's Failure to Fund Pushes Peraso to the Brink of Insolvency

36. As memorialized in the License Agreement and the Subscription Agreement, Peraso expected that if it satisfied the Second Tranche Development Milestone on or before January 31, 2019 and the Third Tranche Development Milestone on or before October 31, 2019 (and did not receive a written notice of rejection) then Ubiquiti Canada would fund Peraso USD \$10,000,000 in aggregate in accordance with the Subscription Agreement. This USD \$10,000,000 investment was essential for Peraso to continue its operations.

37. Given (i) Ubiquiti's failure to cause Ubiquiti Canada to provide its promised funding upon the achievement of the Second Tranche Development Milestone; (ii) Ubiquiti's threats beginning on or around August 26, 2019 that Ubiquiti Canada would not pay the Third Tranche Development Milestone; and (iii) Peraso's serious concerns about its solvency if the funding promised by Ubiquiti was not provided, Peraso began to explore potential alternative sources of financing on or about October 1, 2019. Peraso informed Ubiquiti of its exploration of financing options, and invited Ubiquiti

(among others) to participate in a term sheet whereby Peraso would issue secured notes (the “**2019 Notes**”).

38. In November 2019, Peraso began negotiations with a potential third-party purchaser. While Peraso disclosed these negotiations to Ubiquiti and Ubiquiti Canada in accordance with its contractual rights, the negotiations did not ultimately result in the sale of Peraso.

39. Ubiquiti continued to make ownership demands with respect to Peraso’s intellectual property. On or around December 11, 2019, Ubiquiti advised Peraso that it did not believe that Peraso had a viable financing plan and continued to insist that Peraso turn over its intellectual property rights to Ubiquiti. Ubiquiti’s position caused the members of the Board of Directors of Peraso to believe that Ubiquiti was holding the financial stability of Peraso hostage in exchange for acquiring the intellectual property rights contemplated in the License Agreement.

40. Accordingly, to avoid insolvency, the members of the Board of Directors of Peraso completed the issuance of the 2019 Notes in the aggregate principal amount of USD \$1,748,035.40. The only entities to subscribe to the 2019 Notes were Polar Multi-Strategy Master Fund and entities affiliated with Roadmap Capital Inc. The 2019 Notes carry an interest rate of 6% per annum and mature on December 31, 2023 (the 2019 Notes originally matured on June 30, 2025 but their terms were amended on March 13, 2020).

41. Despite having the right to participate in the 2019 Notes, Ubiquiti declined to do so.

February 2020: Ubiquiti Sues Peraso in New York

42. On December 11, 2019, Peraso sent a written notice of default to Ubiquiti, demanding cure of its defaults, including those under section 2.2 of the License Agreement, within 30 days. Ubiquiti did not cure the defaults and on January 16, 2020, Peraso terminated the License Agreement.

43. Following the termination, Peraso began exclusivity negotiations with a potential third-party purchaser on January 27, 2020. That same day, Peraso provided notice to Ubiquiti that its contractual right of first refusal had been triggered.

44. On February 6, 2020 Peraso and the potential third-party purchaser entered into an exclusivity agreement (with an exclusivity period ending on March 1, 2020).

45. Days later, on February 14, 2020, Ubiquiti filed a complaint against Peraso in the United States District Court for the Southern District of New York (Court File No. 20-CV-1312) (“**SDNY Court**”) seeking, among other things: (i) a declaratory judgment that the License Agreement is in full force and effect; and (ii) monetary damages (such proceedings in the SDNY Court, the “**License Litigation**”).

46. Following the commencement of the License Litigation, the potential third-party purchaser spoke with Ubiquiti. After that conversation on or about February 21, 2020, the potential third-party purchaser informed Peraso that it would not move forward with the acquisition of Peraso without the resolution of the License Litigation.

March 2020: Peraso Takes Steps to Secure Emergency Financing and Avoid Insolvency

47. By February 2020, as a direct result of Ubiquiti Canada’s failures to fund Peraso, Peraso again believed that it faced an imminent risk of insolvency. In particular, Peraso did not have sufficient funds to meet its obligations as they came due, including its payroll obligations due on March 13, 2020.

48. Given the financial situation, on or around February 28, 2020, Messrs. McLean, Whitaker, and Abbott resigned from the Board of Directors of Peraso.

49. Under the terms of the Eighth USA, vacancies on the Board of Directors can only be filled by the shareholders who originally nominated the departing directors. Given the potential for personal liability for the remaining members of the Board of Directors of Peraso, it was clear that the nominating shareholders would not be filling the vacancies until Peraso’s financial situation improved. Accordingly, the remaining members of the Board of Directors of Peraso (Messrs. I. Zine-El-Abidine, R. Zine-El-Abidine, Adderley, and Glibbery) took steps to call a meeting of shareholders to consider emergency financing to ensure the continued solvency of Peraso and to address the composition of the Board of Directors.

50. The Defendants deny that, in arranging the emergency financing, the Director Defendants acted in the interests of themselves and/or their nominating shareholders.

At all times, the members of the Board of Directors acted reasonably and in compliance with the Eighth USA, By-Law No. 1, A by-law relating generally to the transaction of the business and affairs of Peraso Technologies Inc. ("**By-Law No. 1**"), and the OBCA with a view to protecting the interests of Peraso and its stakeholders against Peraso's imminent insolvency.

51. In the alternative, if the Director Defendants acted in the interests of themselves and/or their nominating shareholders (which is not admitted and is expressly denied) such actions of the Director Defendants do not constitute oppression within the meaning of section 248 of the OBCA and did not cause any losses to be suffered by Ubiquiti Canada.

52. With payroll due on March 13, 2020 and no shareholder (other than Roadmap Capital Inc.) proposing a viable financing plan, it was the belief of the members of the Board of Directors that the only reasonable available option to avoid insolvency was through an additional round of financing.

53. The Defendants deny the allegation at paragraph 48 of the statement of claim that the transactions ultimately entered into were pursued at the "urging" of Roadmap. In fact, all interested members of the Board of Directors of Peraso recused themselves from voting on the transactions ultimately entered into to ensure that there was no conflict or perception of conflict. Rather, the transactions ultimately entered into were a direct result of the need of the Board of Directors of Peraso to address Peraso's impending payroll obligations and insolvency.

54. The members of the Board of Directors of Peraso considered the available options, including the possibility that Ubiquiti and/or Ubiquiti Canada could provide financing to Peraso. They deny that they failed to explore reasonable alternatives to the financing described below, as alleged at paragraph 42 of the statement of claim. Indeed, as alleged at paragraph 53 of the statement of claim, the members of the Board of Directors of Peraso were aware of Ubiquiti's prior expressions of interest to make a loan to Peraso. However, contrary to paragraphs 53 and 56 of the statement of claim, such expressions of interest did not amount to an offer as they lacked fundamental terms and, in addition, were never reduced to writing. Moreover, they were made in the context of Ubiquiti's prior refusal to make the investment contemplated by the License

Agreement and Subscription Agreement and Ubiquiti's stated intention to acquire Peraso's intellectual property.

55. On March 2, 2020, the disinterested members of the Board of Directors of Peraso unanimously resolved to call a shareholder meeting to consider a new financing involving the issuance of secured convertible notes ("**2020 Notes**"), which would take place on March 12, 2020 ("**Special Shareholder Meeting**"). The terms of the financing were initially set out in a Secured Convertible Notes Financing Term Sheet, dated March 2, 2020 (the "**Term Sheet**"). Under the terms of the proposed financing, Peraso's existing shareholders could elect to purchase up to USD \$15,000,000 of secured convertible notes (of which Roadmap Capital Inc. committed to purchase a minimum of USD \$3,000,000). If there were a demand among shareholders to purchase 2020 Notes in excess of the maximum of USD \$15,000,000, the Board of Directors of Peraso would have to resolve to increase the size of the offering. Among other things, the Term Sheet provided for an amendment to the Articles of Peraso providing for the conversion of all Class C Shares to Common Shares on the basis of 1.479 Common Share for each Class C Share and amended the 2019 Notes to have the same terms as the 2020 Notes, which was done to align the terms of the outstanding securities and to attract outside investment in Peraso.

56. The members of the Board of Directors of Peraso subsequently resolved to approve and authorize Amended and Restated Secured Convertible Notes Financing Term Sheet (the "**Amended Term Sheet**") on March 11, 2020. The Amended Term Sheet incorporated the feedback that the members of the Board of Directors of Peraso had received from Peraso shareholders since March 2, 2020 – although neither Ubiquiti nor Ubiquiti Canada came forward with comments during this period. Among other things, the Amended Term Sheet provided for an amendment to the Articles of Peraso providing for the conversion of all Class C Shares to Common Shares on the basis of 1.25 Common Share for each Class C Share.

57. The amendment with respect to the conversion of Class C Shares was a direct response to the feedback collected by Peraso from its shareholders. The members of the Board of Directors of Peraso understood that, without the amendment, the transaction would not be approved and Peraso would have been unable to meet its payroll obligations. The amendment did not operate to the advantage of the Roadmap

Defendants. The Roadmap Defendants were the second largest owner of Class C Shares (second only to Qorvo). The revised conversion ratio resulted in an overall diminution of the Roadmap Defendants' equity position.

58. In connection with the financing, the Amended Term Sheet contemplated a revision to the Board structure. It was a condition to closing the financing described in the Amended Term Sheet that there be an

... amendment of the Shareholders Agreement to reflect that (i) the board of directors of the Company (the "Board") shall consist of up to six directors, of which two such directors will be nominees of Roadmap, one such director shall be the then current Chief Executive Officer of the Company, one such director shall be a nominee of CHVP (as defined in the Shareholders Agreement), one such director shall be a nominee of the Investor (other than Roadmap) that subscribes for the greatest aggregate principal amount of Notes in excess of US\$3,000,000 (if any) and one such director shall be an independent nominee who, at the option of the Board, shall be nominated by a majority of the Board and approved by Roadmap, and no other shareholders of the Company shall have the right to nominate directors of the Company, and (ii) any shareholder approval required under the Shareholders Agreement, including approval by a "Preferred Majority", "Special Preferred Majority" or "Preferred Approval" (as defined therein) or otherwise, include the approval of any Investor (including Roadmap) that subscribes for a minimum of US\$3,000,000 principal amount of Notes;... [Emphasis added]

59. On March 2, 2020 (which, contrary to paragraph 55 of the statement of claim, was the day following the expiration of the exclusivity agreement with the potential third-party purchaser), Peraso sent its shareholders, including Ubiquiti Canada, a Notice of Special Meeting of Shareholders, a Management Information Circular, and a Form of Proxy. The Management Information Circular was complete and accurate as of March 2, 2020. The currency of the Management Information Circular was expressly stated therein: "All information in this Circular is given as of March 2, 2020 unless otherwise indicated."

60. The Defendants deny that any of the Notice of Special Meeting of Shareholders, the Management Information Circular, or the Form of Proxy were deficient and/or misrepresented the grave financial situation facing Peraso.

61. The Defendants deny that the terms of the 2020 Notes had the effect described at paragraph 62 of the statement of claim or that the Management Information Circular failed to properly describe them. The body of the Management Information Circular, and the Term Sheet appended thereto, made abundantly clear that the 2020 Notes would be secured by a general security interest in all present and after acquired property and assets of Peraso, but subordinated in interest to the security held by Comerica Incorporated (or any replacement senior bank financing), and that the 2020 Notes would rank equally in priority to one another and with the then outstanding 2019 Notes.

62. With reference to paragraphs 62(c) and 85 of the statement of claim, the Defendants deny that the financing described in the Amended Term Sheet was a *de facto* poison pill. Rather, the offering of the 2020 Notes and the accompanying amendments were designed to attract outside investment in Peraso and the offer remains open for 90 days after March 13, 2020.

63. In the alternative, if the financing described in the Amended Term Sheet constitutes a *de facto* poison pill (which is not admitted and is expressly denied) the Defendants deny that Peraso failed to disclose such information to its shareholders. In the further alternative, the terms of the 2020 Notes were reasonable given that the 2020 Notes were offered on the eve of Peraso's insolvency and Ubiquiti had commenced the License Litigation only weeks before the offering.

64. Furthermore, or in the alternative, if the Management Information Circular or related documents were deficient and/or contained misrepresentations (which is not admitted and is expressly denied), such defects and/or their effects do not constitute oppression within the meaning of section 248 of the OBCA and did not cause any losses to be incurred by Ubiquiti Canada.

65. On March 3, 2020, the Board of Directors of Peraso resolved, among other things, to direct that Peraso deliver a notice to its shareholders, pursuant to the terms of the Eighth USA, notifying such shareholders of their pre-emptive rights with respect to the 2020 Notes. That same day, Peraso sent a notice of pre-emptive rights to shareholders, including Ubiquiti Canada. On March 10, 2020, the Board of Directors of Peraso resolved to waive the proxy deadline in respect of the Special Shareholder Meeting, such that proxies to be used at the meeting, or any adjournment or

postponement thereof, could be deposited with Peraso up until the time the meeting was called.

Ubiquiti Increases the Pressure, Suing Peraso's Directors Personally and Making a "Loan to Own" Proposal for the Intellectual Property

66. Following receipt of the Notice of Special Meeting of Shareholders, a Management Information Circular, and a Form of Proxy, on March 10, 2020, two days before the Special Shareholder Meeting, Ubiquiti filed an amended complaint in the License Litigation that, among other things, added Mr. McLean, Mr. Whitaker, Mr. Abbott, Mr. Adderley, Mr. I. Zine-El-Abidine, and Mr. R. Zine-El-Abidine, each of whom were members of the Board of Directors of Peraso at the time Peraso terminated the License Agreement.

67. At 4:07 p.m. on March 11, 2020, being the evening before the Special Shareholder Meeting, Ubiquiti advised the Board of Directors of Peraso that it would not cause Ubiquiti Canada to approve the Amended Term Sheet at the Special Shareholder Meeting and tendered an unreasonable "loan-to-own" alternative to the Amended Term Sheet (the **"Ubiquiti Proposal"**). The Ubiquiti Proposal, in essence, was yet another attempt to circumvent the terms of the License Agreement to acquire the ownership rights to the intellectual property covered by the License Agreement and any related intellectual property. Ubiquiti asked the Board of Directors of Peraso to consider and approve the Ubiquiti Proposal.

68. Despite Ubiquiti and Ubiquiti Canada becoming aware of the contemplated financing on March 2, 2020 and other shareholders advising the Board of Directors of Peraso of their comments, the eve of the Special Shareholder Meeting was the first occasion on which Ubiquiti and/or Ubiquiti Canada came forward with a written financing proposal. The Defendants deny that the Ubiquiti Proposal (or Ubiquiti's prior informal expressions of interest in advancing a bridge loan) ever constituted a viable option. In addition to containing conditions that could not be satisfied prior to March 13, 2020 or at all, the Ubiquiti Proposal did not include a number of material terms, such as amount and closing date. It acknowledged that holders of the convertible debt had a security interest in Peraso's intellectual property but required subordination of that security interest. Moreover, the members of the Board of Directors of Peraso

determined that there was insufficient time to consult with Ubiquiti and/or Ubiquiti Canada, given the timing of the March 12, 2020 Special Shareholder meeting and the March 13, 2020 payroll obligations.

69. Ubiquiti then advised the Board of Directors of Peraso that all shareholders needed to be informed of its vague and inchoate proposal. While the Board of Directors of Peraso determined that, by its very terms, the Ubiquiti Proposal was incapable of being carried out and completed, it elected to make the shareholders aware of it, as described below.

Peraso's Shareholders Overwhelmingly Approve the Emergency Financing

70. The Special Shareholder Meeting was held, as planned, on at 8:00 a.m. on March 12, 2020. The Defendants deny the allegation at paragraph 51 of the statement of claim that the shareholders' meeting and any business conducted thereat were invalid. The Defendants further deny that the members of the Board of Directors of Peraso failed to disclose the Ubiquiti Proposal to its shareholders. During the meeting, the shareholders were advised of the alternative proposal that Ubiquiti had put forward the previous evening. The Minutes of the Special Meeting of the Shareholders of Peraso Technologies Inc., dated March 12, 2020 ("**Meeting Minutes**") reflect the fact that the following was disclosed to present shareholders:

...the Company received on the evening of March 11, 2020 (yesterday), just before the business day ended, a last-minute proposal from Ubiquiti Networks ("Ubiquiti") for an alternative bridge loan facility.

RG noted that the Ubiquiti proposal:

- is silent with respect to material terms, including the loan amount, the guarantee parties and the repayment date and carries a proposed interest of 15% annually with an event of default rate of 30%;
- contemplates a senior ranking security to the existing security interest on the 2019 convertible notes, requiring, among other things, subordination by the 2019 convertible noteholders which he noted Roadmap will not furnish; and
- is: (a) silent with respect to the proposed timing for the closing of such loan facility, other than

requiring minimum 3 days' notice to fund; and (b) given its terms, cannot be completed in a timely manner which would allow the Company to honour its financial obligations due on March 13, 2020 (tomorrow).

RG noted that **the Ubiquiti proposal was nevertheless formally considered by the board of directors of Peraso on the evening of March 11, 2020 (yesterday) upon its receipt and, including for the reasons mentioned earlier, was ultimately rejected (with Roadmap nominees recusing themselves from this decision).**

In contrast to the subject financing of 2020 convertible debentures, which enjoys tremendous support from all classes of Shareholders, RG noted that **the board concluded that, by its own terms, including requiring subordination from Roadmap, the Ubiquiti proposal could not be executed.** [Emphasis added]

71. In addition to being made aware of the terms of the Amended Term Sheet prior to the Special Shareholder Meeting, the shareholders (or their proxies) that were present at the Special Shareholder Meeting were also made aware of the terms of the Amended Term Sheet, which was approved and authorized by the members of the Board of Directors of Peraso following the March 2, 2020 distribution of the Notice of Special Meeting of Shareholders, Management Information Circular, and Form of Proxy. The Meeting Minutes reflect the fact that the following was disclosed to present shareholders:

RG noted that, on the evening of March 11, 2020 (yesterday), the board of directors (with Roadmap nominees recusing themselves), after receiving input from key shareholders, considered and approved certain amendments to such term sheet in the form of an amended and restated term sheet which was agreed to by Roadmap. These amendments are integrated into the transaction resolution which is the subject of the meeting. Copies of the amended and restated term sheet were made available for inspection with the Secretary of the meeting.

RG noted that such amendments are being tabled today on the basis of the discretionary authority which is conferred upon the persons named in the Form of Proxy with respect to matters not specifically mentioned in the Notice of Meeting, but which may properly come before

the Meeting or any adjournment or postponement thereof, and with respect to amendments to or variations of matters identified in the Notice of Meeting. [Emphasis added]

72. At the Special Shareholder Meeting, the shareholders of Peraso voted (by class) to approve the following measures:

- (a) An offering by way of private placement in accordance with the terms of the Amended Term Sheet;
- (b) An amendment to the Articles of Peraso to reflect the conversion of all Class A Preferred Shares to Common Shares (on a 1-for-1 basis), the conversion of all Class B Preferred Shares to Common Shares (on a 1-for-1 basis) and the conversion of all Class C Shares to Common Shares (on the basis of 1.25 Common Shares for each Class C Share); and
- (c) An amendment to the Eighth USA to reflect that (i) the Board of Directors of Peraso shall consist of six (6) directors, as described above at paragraph 58; (ii) any shareholder approval required under the unanimous shareholders agreement include the approval of any subscriber pursuant to the offering of the 2020 Notes (including Roadmap Capital Inc. or its investment vehicles) that subscribed for a minimum USD \$3,000,000 principal of 2020 Notes; and (iii) the corresponding changes deriving from the amendments set out in subparagraph 72(b), above.

73. The Board and the Preferred Majority (as defined in the Eighth USA) determined that the offer was in the best interests of Peraso.

74. The proposed amendments to Peraso's Articles were required for the purposes of the offering, as contemplated by section 6.9 of the Eighth USA. As described above, Ubiquiti's consent was not required for the amendments.

75. Ubiquiti Canada did not attend the Special Shareholder Meeting in person and did not vote by proxy. In contrast, with the exception of Mr. Glibbery and Bradley Lynch, all other shareholders voted by proxy. A majority of shareholders approved the above measures: 84.5% of holders of Class C Shares, 86.3% of holders of Class B Preferred

Shares, 66.7% of holders of Class A Preferred Shares, and 100% of holders of Common Shares. Approximately 80% of the issued and outstanding shares of Peraso (across all classes) were represented in person or by proxy at the Special Shareholder Meeting. Accordingly, the approval thresholds prescribed in section 6.9 of the Eighth USA were exceeded.

76. Following the Special Shareholder Meeting, one of the two shareholders (iNovia) that voted against the matters that were the subject of the Special Shareholder Meeting contacted Peraso to advise that it wished to revoke its previously submitted proxy (which constituted a vote against the proposal) and that it wished now to support the proposal. Assuming the inclusion of iNovia's votes in favour of the shareholder resolutions, the support among shareholders would be: 89.6% of holders of Class C Shares, 100% of holders of the Class B Preferred Shares, 100% of holders of Class A Preferred Shares, and 100% of holders of Common Shares.

77. Ubiquiti Canada neither attended the Special Shareholder Meeting, nor voted for or against the resolution to approve the measures described above.

78. At the Special Shareholder Meeting, the members of the Board of Directors of Peraso then resolved to implement the measures approved by the shareholders. Following closing of the financing, Peraso sent its shareholders the Ninth Amended and Restated Unanimous Shareholders' Agreement ("**Ninth USA**"), which reflected the changes they had approved at the Special Shareholder Meeting.

79. While Ubiquiti was offered the opportunity to participate in the financing, it did not do so. The only shareholders that participated were Roadmap Peraso LP III and Roadmap Peraso LP III (US and Offshore), which together subscribed for USD \$3,885,000.

80. With the proceeds of the financing, Peraso met its payroll obligations the following day.

Defendants Did Not Breach the Eighth USA

81. The Defendants deny that their actions amounted to a breach of the Eighth USA. With reference to paragraphs 74 through 77 of the statement of claim, the Defendants deny that the amendments to the Eighth USA that resulted from the Special

Shareholder Meeting failed to comply with the terms of the Eighth USA. As stated above, the votes required under section 6.9 of the Eighth USA to amend the Articles of Peraso were obtained at the Special Shareholder Meeting and accordingly Ubiquiti and Ubiquiti Canada waived any right to dissent or object. Further, with reference to paragraph 75 of the statement of claim, as a result of the amendments to the Articles of Peraso, all Class C Shares were eliminated accordingly and restrictions (or lack thereof) became irrelevant to Peraso's newly-approved capital structure.

82. The Defendants deny the allegations at paragraphs 85, 86 and 87 of the statement of claim that the 2020 Notes contain "punitive and unusual terms triggered on a Liquidation Event". Rather,

- (a) The holders of 2019 Notes and 2020 Notes have signed written acknowledgements to the effect that any payment of interest or other amount payable in connection with such offerings that would be prohibited by law or would result in a receipt by that person of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)) shall be adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, that would not be so prohibited by applicable law or so result in a receipt by that person of "interest" at a "criminal rate". Furthermore, no shareholder of Peraso ever took exception to such terms;
- (b) The offering of the 2020 Notes and the accompanying amendments were approved at a level which triggered the waiver of dissent under section 6.9 of the Eighth USA; and
- (c) The 2020 Notes were made available to all Peraso shareholders, which were each permitted to subscribe on the same terms.

83. Contrary to paragraphs 62(b) and 88 of the statement of claim, the Defendants deny that the terms of the 2020 Notes were intended to defeat, hinder, delay or prejudice creditors or otherwise constitute a preference under section 4 of the Ontario *Assignment and Preferences Act*, RSO 1990, c A.33. In the alternative (and with reference to paragraph 62(b) of the statement of claim), if the terms of the 2020 Notes do constitute a preference (which is not admitted and is expressly denied), the

Defendants deny that Peraso failed to disclose such information to shareholders in the Management Information Circular distributed to its shareholders on March 2, 2020. In the further alternative, if Peraso did fail to disclose such information (which is not admitted and is expressly denied), the Defendants deny that such failure amounts to oppression under the OBCA.

The Peraso Board of Directors Acted within Its Authority

84. Despite engaging with the Board of Directors of Peraso during the process (including in respect of the Ubiquiti Proposal), Ubiquiti Canada now alleges that the Board was invalidly constituted and incapable of calling the Special Shareholder meeting because it lacked the requisite number of directors, which the Defendants deny. The Defendants further deny that the votes taken and resolutions approved at the Special Shareholder meeting are void.

85. The Defendants deny that Peraso lacked the minimum number of directors to carry out actions of the Board of Directors. Under the terms of the OBCA and/or the express or implied terms of the Eighth USA and/or By-Law No. 1, in circumstances in which the number of directors falls below five, the remaining directors in office may call a meeting of shareholders to address urgent matters, including the composition of the Board of Directors.

86. Along with the Articles and By-Law No. 1, the Eighth USA sets out the requirements of the composition of the Board of Directors of Peraso. Section 4.1 of the Eighth USA provided that Board of Directors of Peraso shall consist of “a minimum of five (5) directors and a maximum of seven (7) directors” and prescribes that one director shall be the current CEO of Peraso, one director shall be nominated by the holders of at least a majority of the outstanding Common Shares of Peraso, one director shall be nominated by the holders of at least a majority of the outstanding Common Shares and the “Fully Diluted Investor Securities” (voting together as a single class), and one director shall be nominated by each of CHVP, iNovia, VentureLink, Roadmap (each as defined in the Eighth USA).

87. The Eighth USA further provides that certain individuals shall initially serve as nominee directors of certain shareholders, including Mr. McLean (as “CEO Nominee”), Mr. Glibbery (as “Common Share Nominee”), Mr. Adderley (as “CHVP Nominee”), Mr.

Abbott (as “iNovia Nominee”), Mr. Whitaker (as “VentureLink Nominee”), Mr. I. Zine-El-Abidine (as “Roadmap Nominee”), and Mr. R. Zine-El-Abidine (as “Independent Nominee”).

88. As noted above, section 4.2 of the Eighth USA provides that vacancies on the Board of Directors of Peraso can only be filled by the shareholders who nominated the directors that resigned:

... **Any vacancy** occurring on the Board by reason of the death, disqualification, inability to act, resignation or removal of any director **may be filled only by a further nominee of the Shareholder or Shareholders whose nominee was so affected so as to maintain a Board consisting of the nominees specified in Section 4.1.** The Shareholders shall fill any such vacancy by electing as soon as reasonably possible any such further nominee under this Section 4.2. [Emphasis added]

89. The Eighth USA is silent as to the steps that the remaining directors may take during the period before the vacancy is filled. However, section 4.07 of By-Law No. 1 of Peraso provides that where there is a vacancy on the Board of Directors of Peraso, the remaining members of the Board of Directors can exercise all powers of the Board so long as quorum is present. In addition, section 10.02 of By-Law No. 1 provides that the board, the chair of the Board or the President may call a special meeting of shareholders at any time.

90. At all relevant times, the members of Peraso’s Board of Directors acted properly, within the scope of their authority and with the requisite quorum.

91. It would not be reasonable for a shareholder to expect that the remaining members of the Board of Directors would cease to address urgent matters during the period before a vacancy is filled, provided there is quorum.

Ubiquiti Canada Was Not Denied Its “Observer Rights”

92. In addition to alleging that the Ubiquiti Proposal was ignored, Ubiquiti Canada claims that it was denied its right to have an observer monitor the process of the Board of Directors, which would have allowed it to present “alternative proposals to Peraso’s shareholders and other stakeholders than those being advanced by the Defendants.”

93. Contrary to the allegations in the statement of claim (including those set out in paragraphs 34 through 43 thereof), the Defendants deny that Ubiquiti Canada had any relevant observer rights under section 4.4(e) of the Eighth USA, whether beginning in mid October 2019 or at all, that would have allowed it to sit in on the discussions of the Board of Directors of Peraso of these issues or any of the other matters described in the statement of claim. The Defendants certainly deny that any observer rights would have given Ubiquiti the ability to use Peraso's information for its own benefit, including by advancing its litigation position or acquiring Peraso's intellectual property.

94. The observer rights of Ubiquiti and Ubiquiti Canada were premised on the expectation that they would become significant stakeholders in Peraso if the terms of the License Agreement and Subscription Agreement were complied with, including by Ubiquiti causing Ubiquiti Canada to make an aggregate USD \$10,000,000 investment in Peraso. It was an express or implied term of the Eighth USA that Ubiquiti Canada's observer rights under section 4.4(e) of the Eighth USA were contingent on compliance with the terms of the License Agreement and the Subscription Agreement, which were breached by Ubiquiti and Ubiquiti Canada, as described herein.

95. In the alternative, the observer rights under the Eighth USA did not allow the observer to channel information to Ubiquiti and/or Ubiquiti Canada for its own benefit. They did not apply in circumstances in which the matters under consideration were confidential, subject to solicitor-client privilege or related to Ubiquiti and/or Ubiquiti Canada, including matters that were the subject of ongoing or contemplated litigation.

96. In the further alternative, to the extent that there were any such rights, the Defendants deny that beginning in mid-October 2019 the members of the Board of Directors of Peraso acted in breach of them. In particular and in reference to paragraphs 37 of the statement of claim, the Defendants deny that they withheld from Ubiquiti Canada notice of meetings of the Board of Directors of Peraso and related information.

97. To exercise observer rights, section 4.4(e) of the Eighth USA required Ubiquiti and/or Ubiquiti Canada to provide written notice of its intention to exercise the right and to execute a Confidential Information and Non-Disclosure Agreement. That was not done.

98. While Peraso had allowed a representative of Ubiquiti to attend routine meetings of the Board of Directors/shareholders on a handful of occasions in 2019, it was done as a courtesy that was extended to Ubiquiti as a shareholder and Peraso's largest customer. Once matters became litigious, Peraso was entitled to require Ubiquiti and Ubiquiti Canada to provide the requisite written notice and execute a Confidentiality and Non-Disclosure Agreement. The Defendants deny that Ubiquiti or Ubiquiti Canada could have any reasonable expectation that the observer rights under section 4.4(e) would be available to them until such terms were fulfilled.

99. In the alternative, by the express and/or implied terms of section 4.4(e) of the Eighth USA neither Ubiquiti nor Ubiquiti Canada could have a reasonable expectation that they would be able to exercise their observer rights to the extent that the License Litigation was being discussed or legal advice was being obtained.

100. The first occasion on which Ubiquiti Canada (or Ubiquiti) raised the issue of its observer rights under the Eighth USA was in a notice of application issued by the Ontario Superior Court of Justice (Commercial List) on February 21, 2020 (Court File No. CV-20-00636535-00CL) seeking production of certain materials. The application was resolved on consent and Peraso agreed to provide the materials sought in the application.

101. To the extent that there was a failure to provide requisite notice of meetings of the Board of Directors of Peraso or committee meetings or related information, which is denied, it was not done intentionally – or to prefer certain interests to those of Ubiquiti and/or Ubiquiti Canada, as alleged at paragraphs 36 and 39 of the statement of claim. Rather, it was done on the assumption that Ubiquiti Canada had no interest in availing itself of such rights and/or the Ubiquiti was in a position of conflict. In the circumstances, that assumption was reasonable and Ubiquiti Canada could not have had any reasonable expectation that it would receive such information.

102. Peraso and the Director Defendants specifically deny that they "hid" from Ubiquiti's observer discussions regarding terms for the reorganization of Peraso's share capital or that those efforts were aimed at improving the position of certain shareholders to those of Ubiquiti Canada. Rather, Ubiquiti Canada was provided notice of the

transactions ultimately entered into and given the opportunity to participate, as described above.

103. The Defendants further deny that any failure to provide access or information (if it did occur which is not admitted and is expressly denied) either constitutes oppressive conduct or breached the reasonable expectations of Ubiquiti Canada as understood by section 248 of the OBCA.

Defendants' Conduct in Avoiding Insolvency Was not "Oppressive"

104. The Roadmap Defendants deny that any of them is an affiliate of Peraso within the meaning of the OBCA. Accordingly, section 248 provides no relief to Ubiquiti Canada as against them.

105. In the alternative, Peraso, the Director Defendants, and the Roadmap Defendants each deny that their actions amount to oppression pursuant to section 248 of the OBCA.

106. As described above, the Defendants acted in good faith to arrange emergency financing to avoid Peraso's insolvency. Ubiquiti Canada cannot have had any reasonable expectation that they would have done otherwise.

107. In the further alternative, even if the Defendants are liable under section 248 of the OBCA (which is not admitted and is expressly denied) the Defendants deny that Ubiquiti Canada suffered any damages or any adverse consequence and puts Ubiquiti Canada to the strict proof thereof.

108. In the still further alternative, even if even if the Defendants are liable under section 248 of the OBCA (which is not admitted and is expressly denied) the Defendants state that terms of the 2020 Notes were reasonable in the circumstances. The Defendants further state that the relief sought by Ubiquiti Canada is unnecessarily broad and the remedy which interferes as little as possible with the affairs of Peraso would be to amend the terms of the 2020 Notes.

109. In the further alternative, to the extent that the actions of Peraso and/or the Roadmap Defendants amount to oppression pursuant to section 248 of the OBCA (which is not admitted and is expressly denied), the Director Defendants each deny that

such conduct is properly attributable to the Director Defendants and further deny that the imposition of personal liability on the Director Defendants would be fit in the circumstances.

110. The Defendants plead and rely on the terms of the OBCA, including section 248 thereof.

111. The Defendants request that this Action be dismissed against them with costs.

112. The Defendants consent to the trial of this Action being held in Toronto, Ontario.

May 29, 2020

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UBIQUITI NETWORKS CANADA INC.
Plaintiff and PERASO TECHNOLOGIES INC. et al.
Defendants

Court File No.: CV-20-00639269-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

STATEMENT OF DEFENCE

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Lawyers for the Defendants

EXHIBIT "F"

EXHIBIT "F"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:

Nicholas Ains

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Commissioner for Taking Affidavits

Peraso Technologies Inc.

Financial Statements

December 31, 2019

(expressed in US dollars)



Independent auditor's report

To the Shareholders of Peraso Technologies Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Peraso Technologies Inc. (the Company) as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises (ASPE).

What we have audited

The Company's financial statements comprise:

- the balance sheet as at December 31, 2019;
- the statement of operations for the year then ended;
- the statement of changes in shareholders' deficiency for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.



If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
May 19, 2020

Peraso Technologies Inc.**Balance Sheet****As at December 31, 2019**

	2019	2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,903,691	9,149,450
Accounts receivable	393,895	443,874
Prepaid expenses and other assets	1,114,605	584,594
Investment tax credits	1,216,440	2,163,364
Inventory	1,107,812	692,846
	<u>5,736,443</u>	<u>13,034,128</u>
Property and equipment (note 3)	3,046,138	3,276,618
Intangible assets (note 4)	<u>153,840</u>	<u>372,677</u>
	<u>8,936,421</u>	<u>16,683,423</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,374,303	1,394,310
Loans (note 5)	-	823,038
	<u>1,374,303</u>	<u>2,217,349</u>
Convertible note (note 6)	1,678,762	-
Convertible Class A preferred shares (note 7)	2,117,267	2,015,790
Convertible Class B preferred shares (note 7)	33,765,675	32,055,203
Convertible Class C preferred shares (note 7)	58,678,565	48,747,314
Dividend payable on preferred shares (note 7)	<u>24,429,668</u>	<u>18,939,617</u>
	<u>122,044,240</u>	<u>103,975,272</u>
Shareholders' Deficiency		
Capital stock (note 7)	161,025	156,951
Warrants (note 7)	299,900	299,900
Contributed surplus	1,256,241	884,266
Deficit	<u>(114,824,985)</u>	<u>(88,632,966)</u>
	<u>(113,107,819)</u>	<u>(87,291,849)</u>
	<u>8,936,421</u>	<u>16,683,423</u>
Going concern (note 1)		
Commitments (note 12)		

Approved by the Board of Directors

 _____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Peraso Technologies Inc.

Statement of Operations

For the year ended December 31, 2019

	2019 \$	2018 \$
Revenue	506,000	1,621,162
Cost of goods sold	477,432	727,876
Gross profit	28,568	893,286
Expenses		
Research and development (note 10)	10,214,210	9,529,529
General and administration	2,288,265	2,292,919
Marketing (note 9)	1,598,474	1,501,773
Stock-based compensation (note 8)	366,410	459,946
Amortization of property and equipment	1,319,857	1,227,998
Amortization of intangible assets	218,837	218,837
	16,006,053	15,231,002
Loss from operations	(15,977,485)	(14,337,716)
Finance (income) and expenses		
Dividends (note 7)	4,444,674	4,182,064
Amortization of deferred financing costs	405,767	414,332
Interest on loans	20,403	107,305
Unrealized loss (gain) on foreign currency exchange	5,369,795	(7,529,593)
Realized gain on foreign currency exchange	(21,935)	(6,265)
Interest income	(4,170)	(40,227)
	10,214,534	(2,872,384)
Net loss for the year	(26,192,019)	(11,465,332)

The accompanying notes are an integral part of these financial statements.

Peraso Technologies Inc.

Statement of Changes in Shareholders' Deficiency

For the year ended December 31, 2019

	Capital stock \$	Warrants \$	Deficit \$	Contributed surplus \$	Total \$
Balance – December 31, 2017	148,662	299,900	(77,167,634)	425,885	(76,293,187)
Net loss for the year	-	-	(11,465,332)	-	(11,465,332)
Shares issued on exercise	8,289	-	-	(1,565)	6,724
Issuance of warrants (note 7)	-	-	-	-	-
Stock-based compensation	-	-	-	459,946	459,946
Balance – December 31, 2018	156,951	299,900	(88,632,966)	884,266	(87,291,849)
Net loss for the year	-	-	(26,192,019)	-	(26,192,019)
Shares issued on exercise	4,074	-	-	5,565	9,639
Issuance of warrants (note 7)	-	-	-	-	-
Stock-based compensation	-	-	-	366,410	366,410
Balance – December 31, 2019	161,025	299,900	(114,824,985)	1,256,241	(113,107,819)

The accompanying notes are an integral part of these financial statements.

Peraso Technologies Inc.

Statement of Cash Flows

For the year ended December 31, 2019

	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Net loss for the year	(26,192,019)	(11,465,332)
Items not involving cash		
Dividends (note 7)	4,444,674	4,182,064
Stock-based compensation	366,410	459,946
Interest on convertible debenture	3,858	-
Amortization of property and equipment	1,319,857	1,227,998
Amortization of intangible assets	218,837	218,837
Amortization of deferred financing costs	405,767	414,332
Unrealized loss on foreign currency exchange	5,351,967	(7,529,538)
Changes in non-cash working capital balances		
Investment tax credits	1,027,419	19,295
Accounts receivable	49,980	79,569
Prepaid expenses and other assets	(511,076)	(21,635)
Inventory	(403,244)	371,695
Accounts payable and accrued liabilities	(68,552)	(134,093)
Deferred revenue	-	(79,383)
	<u>(13,986,122)</u>	<u>(12,256,245)</u>
Investing activities		
Purchases of property and equipment and intangible assets	<u>(1,089,377)</u>	<u>(1,429,116)</u>
Financing activities		
Equipment lease	-	(219)
Proceeds on exercise of stock options	9,638	6,724
Net proceeds from convertible Class C preferred shares (note 7)	7,000,000	15,592,262
Proceeds from convertible debenture	1,734,427	-
Financing fees	(60,000)	-
Repayment of loans (note 5)	<u>(800,000)</u>	<u>(1,200,000)</u>
	<u>7,884,065</u>	<u>14,398,767</u>
Change in cash and cash equivalents during the year	<u>(7,191,434)</u>	<u>713,406</u>
Cash and cash equivalents – Beginning of year	9,149,450	8,580,941
Effect of foreign exchange on cash and cash equivalents	<u>(54,325)</u>	<u>(144,897)</u>
Cash and cash equivalents – End of year	<u>1,903,691</u>	<u>9,149,450</u>

The accompanying notes are an integral part of these financial statements.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

1 Description of business and going concern

Peraso Technologies Inc. (the Company) is a fabless semiconductor company specializing in the development of 60 GHz communications products.

The Company was incorporated on June 5, 2008. Since its inception, the Company has devoted substantially all of its efforts to business planning, developing its products, acquiring operating assets and raising funding. The Company began production in late 2015 and continued to develop new products in 2019.

The Company's forecasted cash flows from operations are insufficient to cover its operating expenses. The Company has taken actions to reduce operating costs and with successful execution of planned equity financing, the Company believes it can fund the next 12 months of operations.

In addition to the liquidity challenges described above, Ubiquiti, one of the Company's investors and customers, has filed a lawsuit on February 14, 2020 in the United States District Court southern district of New York against the Company for breach of a licence and development agreement. Ubiquiti has also filed a lawsuit in the Superior Court of Justice Ontario on February 19, 2020 against the Company for breach of agreement to provide the notices of meetings of the Company's Board of Directors and all written information to Ubiquiti. No provision for this claim has been made in the financial statements for the year ended December 31, 2019.

These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. While the Company has been successful in raising financing through debt and equity financing in the past, there can be no assurance that it will be able to do so in the future.

These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments would be material.

2 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Private Enterprises (ASPE). All amounts are expressed in US dollars, unless otherwise specified.

Use of estimates

The preparation of financial statements in accordance with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include the stock compensation valuation assumptions and the determination of the useful life of property and equipment and intangible assets, all of which are management's best estimates. The scientific research and experimental development (SR&ED) tax credits are based on

Peraso Technologies Inc.**Notes to Financial Statements****December 31, 2019**

amounts considered to be fixed and determinable. Estimates are based on historical experience, where applicable, and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future years could be significant. Actual results could differ from the estimates under different assumptions or conditions.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit.

Investment tax credits

Investment tax credits, which are earned as a result of incurring qualifying SR&ED costs, are accounted for as a reduction to the relevant assets or research and development expenses when the Company has made the qualifying expenditures and there is reasonable assurance the credits will be realized.

Inventory

Inventory is measured at the lower of cost and net realizable value and cost is assigned using the first-in, first-out method. Inventory costs include costs of material, labour, assembly and testing costs. Net realizable value is the estimated selling price less applicable selling expenses.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Property and equipment consist of computer equipment, furniture and fixtures, licences, leasehold improvements and laboratory equipment and are amortized using the following methods and annual rates:

Computer equipment	55% declining balance
Furniture and fixtures	20% declining balance
Licences	2 years straight-line
Leasehold improvements	straight-line over the remaining term of the lease
Laboratory equipment	55% declining balance
Production equipment	30% declining balance
Leased laboratory equipment	2 years straight-line
Production mask set	5 years straight-line

Intangible assets

Intangible assets, which consist of acquired intellectual property, are recorded at cost less accumulated amortization. Intangible assets are amortized on a straight-line basis over the five-year period.

Peraso Technologies Inc.**Notes to Financial Statements****December 31, 2019**

The Company reviews the carrying values of amortizable intangible assets for impairment whenever events and changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to the amount by which the carrying value of the asset exceeds its fair value.

Impairment of long-lived assets

Property and equipment and intangible assets are tested for impairment when evidence of a decline in value exists. If it is determined the carrying value of property and equipment is not recoverable, a writedown to fair value is charged to net loss in the year that such a determination is made.

Convertible redeemable preferred shares

The Company's convertible redeemable preferred shares are classified as financial liabilities as these preferred shares can be redeemed on or after a specified future date, subject to agreement by a majority of these preferred shareholders. The redemption price would be the original issue price per share plus all accrued dividends.

As such, the 8% cumulative dividends are accrued as an expense in the statement of operations. Incremental costs directly attributable to the issuance of the preferred shares are recognized as a deduction from the cost of the preferred share.

Revenue recognition

Revenue is derived primarily from the sale of semiconductor chipsets. Product revenue is recognized when chipsets are shipped and when all of the following criteria are met; persuasive evidence of an arrangement exists; the fee is fixed and/or determinable; and collection is reasonably assured.

Foreign currency translation

The functional currency of the Company is the US dollar. The functional currency is the currency of the primary economic environment in which the Company operates. The Company considered the following economic factors in determining the functional currency indicators: cash flows, sales prices, sales markets, operating expenses and financing.

On the transaction date, each asset, liability, revenue or expense is translated into US dollars, the functional currency of the entity, using the exchange rate in effect at that date. As at the year-end date, monetary assets and liabilities are translated into US dollars using the exchange rate in effect at that date and the resulting foreign currency exchange gains and losses are included in net loss in the current year.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

Stock-based compensation

The Company has a stock option plan, which is described in note 8. The Company estimates the fair value of stock-based compensation to employees and directors using the Black-Scholes option pricing model and expenses the fair value over the tranche's estimated vesting period with a corresponding credit to contributed surplus.

When stock options are exercised, the corresponding contributed surplus and proceeds received by the Company are credited to capital stock.

Financial instruments

The Company records cash and cash equivalents, accounts receivable, input tax credits receivable, accounts payable and accrued liabilities at cost, loans, convertible notes and redeemable preferred shares at amortized cost. Amortization is recorded on a straight-line basis.

Financial assets are tested for impairment at the end of each reporting period when there are indications the assets may be impaired.

Pursuant to the Chartered Professional Accountants of Canada Handbook, Part II, Section 3856, Financial Instruments, loans, convertible notes and redeemable preferred shares were not bifurcated into equity and liability components. The Company has elected to allocate these fully to the liability component.

Income taxes

The Company uses the income taxes payable method of accounting for income taxes. Under this method of accounting, the Company records as an expense or recovery only the cost or benefit of current income taxes for that year, determined in accordance with the rates established by the taxation authorities.

3 Property and equipment

	2019		
	Cost \$	Accumulated amortization \$	Net \$
Computer equipment	1,420,172	1,232,992	187,180
Furniture and fixtures	310,601	207,789	102,812
Licences	701,678	659,132	42,546
Leasehold improvements	237,780	231,967	5,813
Laboratory equipment	2,401,695	2,099,270	302,425
Production equipment	2,327,341	1,221,587	1,105,754
Leased laboratory equipment	116,397	116,397	-
Production mask set	2,897,850	1,598,242	1,299,608
	10,413,514	7,367,376	3,046,138

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

	2018		
	Cost \$	Accumulated amortization \$	Net \$
Computer equipment	1,313,727	1,041,130	272,597
Furniture and fixtures	308,155	182,290	125,865
Licences	635,141	598,292	36,849
Leasehold improvements	237,780	223,316	14,464
Laboratory equipment	2,052,104	1,998,148	53,956
Production equipment	2,137,983	800,100	1,337,883
Leased laboratory equipment	116,397	116,397	-
Production mask set	2,522,850	1,087,846	1,435,004
	9,324,137	6,047,519	3,276,618

4 Intangible assets

	2019		
	Cost \$	Accumulated amortization \$	Net \$
Acquired intellectual property	1,155,024	1,001,184	153,840

	2018		
	Cost \$	Accumulated amortization \$	Net \$
Acquired intellectual property	1,155,024	782,347	372,677

5 Loans

In 2016, the Company amended its term loan agreement. The term loan agreement was amended to a term loan facility of US\$3,000,000, bearing interest at a rate of US prime plus 1.25% per annum, payable on the first calendar day of each month. As at December 31, 2019, the balance was repaid in full (2018 – \$823,038). During the current fiscal year, a total of \$15,900 (2018 – \$84,446) of interest was paid.

In 2016, the Company amended its revolving facility agreement. The agreement was amended to a revolving facility of US\$4,500,000, bearing interest at a rate of prime plus 1.25% per annum, payable on the first calendar day of each month. In 2018, the revolving facility agreement was amended to extend the maturity date of the revolving facility to March 30, 2019. The revolving credit facility is secured by the Company's 2016 and 2017 filed refundable tax credit claims and accrued refundable tax credit claims. In 2019, no amounts were drawn on the revolving facility and no interest was paid on the revolving loan.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

6 Convertible debenture

During December 2019, the Company entered into a convertible debenture agreement with a maturity date of June 30, 2025. Proceeds from the convertible debenture totalled \$1,748,035 at an annual interest rate of 6%, net of \$60,000 in financing fees. During the current fiscal year, a total of \$3,858 in interest expense was recognized.

Conversion

On the closing of a Series D equity financing by the Company on or before June 30, 2020 all of the principal and accrued interest shall automatically convert into equity securities issued under the Series D financing at a conversion price of 90% of the per share price paid by the investors in such financing.

On the closing of a Series D equity financing by the Company after June 30, 2020 all of the principal and accrued interest shall automatically convert into equity securities issued under the Series D financing at a conversion price of 80% of the per share price paid by the investors in such financing.

On the occurrence of a liquidation event prior to the conversion or repayment in full of this debenture, the holder has the option to convert all of the principal and accrued interest into Class C preferred shares at a price of CA\$1.479, immediately prior to the closing of the liquidation event or the Company is required to pay the holder an amount equal to 150% of the outstanding principal, plus all accrued interest on closing of the liquidation event.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019**7 Capital stock**

Authorized

Unlimited common shares, voting

Unlimited Class A, Class B and Class C preferred shares

Issued

	2019								
	Common shares		Class A preferred shares		Class B preferred shares		Class C preferred shares		Total
	Number of shares	Amount \$	Number of shares	Amount \$	Number of shares	Amount \$	Number of shares	Amount \$	Amount \$
Balance – Beginning of year	3,499,290	156,951	2,750,001	4,043,202	43,956,520	48,967,407	46,028,779	48,747,314	101,914,874
Shares issued (net of financing costs)	-	-	-	-	-	-	6,293,847	7,000,000	7,000,000
Exercise of stock options	128,125	9,639	-	-	-	-	-	-	9,639
Dividends accrued	-	-	-	332,590	-	4,112,084	-	-	4,444,674
Amortization of deferred financing costs	-	-	-	-	-	100,740	-	304,551	405,291
Foreign exchange	-	-	-	210,684	-	2,545,903	-	2,626,700	5,383,287
Balance – End of year	3,627,415	166,590	2,750,001	4,586,476	43,956,520	55,726,134	52,322,626	58,678,565	119,157,765

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

	2018								
	Common shares		Class A preferred shares		Class B preferred shares		Class C preferred shares		Total
	Number of shares	Amount \$	Number of shares	Amount \$	Number of shares	Amount \$	Number of shares	Amount \$	Amount \$
Balance – Beginning of year	3,411,665	148,662	2,750,001	4,071,095	43,956,520	49,148,593	31,677,811	36,182,567	89,550,917
Shares issued (net of financing costs)	-	-	-	-	-	-	14,350,969	15,592,262	15,592,262
Exercise of stock options	87,625	8,289	-	-	-	-	-	-	8,289
Dividends accrued	-	-	-	315,191	-	3,866,873	-	-	4,182,064
Amortization of deferred financing costs	-	-	-	-	-	114,647	-	299,686	414,333
Foreign exchange	-	-	-	(343,084)	-	(4,162,706)	-	(3,327,201)	(7,832,991)
Balance – End of year	3,499,290	156,951	2,750,001	4,043,202	43,956,520	48,967,407	46,028,780	48,747,314	101,914,874

As at December 31, 2019, \$2,469,208 (2018 – \$2,094,329) in dividends was accrued on the Class A preferred shares, and \$21,960,460 (2018 – \$17,533,838) in dividends was accrued on the Class B preferred shares.

In 2019, 6,293,847 Class C preferred shares were issued in exchange for \$7,000,000. Financing costs related to the issuance of the Class C preferred shares were \$nil.

Convertible Class A, Class B and Class C preferred shares

The holders of the convertible Class A, Class B and Class C preferred shares have the following rights and preferences:

- Voting

Each convertible Class A, Class B and Class C preferred share has voting rights equal to an equivalent number of common shares and votes together as one class with the common shares.

- Conversion

Each Class A, Class B and Class C preferred share is convertible, at the option of the holder, into one common share. The Class A, Class B and Class C preferred shares are automatically convertible into common shares in the event of (i) the closing of a public offering; (ii) the affirmative vote or written consent by the majority of the preferred shareholders; and (iii) the optional conversion into common shares of at least two-thirds of the aggregate number of preferred shares.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

- Redemption

The convertible Class A preferred shares can be redeemed on or after June 1, 2021, subject to agreement by two-thirds of the holders of the Company's Class A preferred shares. The price would be the original issue price of CA\$1 per share plus all accrued dividends.

The Class B preferred shares can be redeemed on or after June 1, 2021 subject to agreement by a majority of the holders of the Company's Class B preferred shares. The price would be the original issue price of CA\$1 per share plus all accrued dividends.

The Class C preferred shares can be redeemed on or after June 1, 2021 subject to agreement by a majority of the holders of the Company's Class C preferred shares. The price would be the original issue price of CA\$1.4790 per share.

- Dividends

Class A and Class B preferred shares will accrue an annual compounding dividend of 8% per year. The dividend will be paid at the earlier of a liquidation event (as defined in the articles of incorporation of the Company) or the redemption of the preferred shares. During the current fiscal year, a total of \$4,444,674 (2018 – \$4,182,064) of dividends was accrued.

- Liquidation

In the event of any liquidation, dissolution or winding up of the Company, the holders of each convertible Class A and Class B preferred share would receive CA\$1 per share plus all accrued dividends. Class C preferred shareholders would receive CA\$1.4790 and no accrued dividends. Thereafter, any assets remaining following distribution to the holders of the convertible Class A, Class B and Class C preferred shares will be distributed rateably among the holders of the convertible Class A, Class B and Class C preferred shares and common shares, provided that the maximum amount receivable for each convertible Class A and Class B preferred share is CA\$5, and CA\$4.44 for Class C preferred shares.

Warrants

The warrants issued through to December 31, 2019 were as follows:

Year issued	Number of warrants Issued	Fair value \$	Exercise price \$	Expiry date	Option to purchase
2014	594,000	169,799	CA\$1.00	March 3, 2022	Class B Common shares preferred shares Common shares
2015	90,000	31,713	CA\$1.00	August 31, 2022	
2016	417,850	45,115	CA\$1.4790	March 4, 2021	
2017	497,692	53,273	CA\$1.4790	March 4, 2021	

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

The warrants outstanding as at December 31, 2019 and December 31, 2018 were as follows:

	Number of warrants on common shares	Amount \$	Number of warrants on Class B preferred shares	Amount \$	Total \$
Balance – December 31, 2017	1,509,542	268,187	150,000	31,713	299,900
Issued in the year	-	-	-	-	-
Warrants expired in 2018	-	-	60,000	-	-
Balance – December 31, 2018	1,509,542	268,187	90,000	31,713	299,900
Issued in the year	-	-	-	-	-
Warrants expired in 2019	-	-	-	-	-
Balance – December 31, 2019	1,509,542	268,187	90,000	31,713	299,900

8 Stock-based compensation

In 2009, the Company adopted the 2009 Share Option Plan (the plan). Under the plan, officers, employees, directors, consultants and special advisers may be granted stock options to purchase shares of the Company's common stock; 12,896,147 shares of common stock have been reserved for issuance. Stock options generally vest over terms of four years and expire over terms of 10 years.

A summary of stock option activity under the plan is as follows:

	Number of stock options	Weighted average exercise price per stock option \$
Balance – December 31, 2017	6,011,726	0.2
Granted	5,091,050	0.6
Forfeited	(496,875)	0.4
Exercised	(87,625)	0.1
Balance – December 31, 2018	10,518,276	0.2
Granted	434,000	0.6
Forfeited	(528,566)	0.45
Exercised	(128,125)	0.1
Balance – December 31, 2019	10,295,585	

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

The fair value of the stock options granted during 2019 was determined to be \$89,653 (2018 – \$1,103,588). The fair value of the stock options was determined using the Black-Scholes option pricing model. The assumptions used in this option pricing model were as follows: average risk-free interest rate of 1.96% (2018 – 0.50%); expected average volatility of 24.97% (2018 – 55%); expected stock option life of six years (2018 – five years); and expected annual dividends of \$nil (2018 – \$nil).

The Company recorded a total stock-based compensation expense of \$366,410 (2018 – \$459,946), which has been recognized as an expense within salaries expense.

9 Related party transactions

During the current fiscal year, the Company incurred \$150,727 (2018 – \$155,072) of consulting expenses for facilities and agencies owned by shareholders of the Company. The transactions were recorded at their exchange amount, which is the consideration paid or received, as established and agreed to by the related parties.

10 Income taxes

Federal and provincial non-capital losses and investment tax credits will expire as follows:

	Federal and provincial non-capital losses	Investment tax credits
	\$	\$
2028	1,532	-
2029	191,161	8,418
2030	721,126	90,751
2031	2,067,577	186,599
2032	2,121,015	443,439
2033	1,624,492	220,650
2034	2,737,512	107,113
2035	6,228,053	451,086
2036	7,170,396	495,496
2037	14,869,179	192,645
2038	12,772,646	128,383
2039	13,328,410	257,613
	63,833,099	2,582,193

For the year ended December 31, 2019, the Company recorded \$1,294,333 (2018 – \$1,434,618) as a reduction in SR&ED expenses related to refundable investment tax credits.

As at December 31, 2019, the Company had \$26,177,493 (2018 – \$24,093,325) in SR&ED expenditures that may be used to reduce taxable income in future years.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

11 Financial instruments**Foreign currency risk**

The Company is exposed to market risk from changes in foreign currency exchange rates, through transactions conducted in currencies other than the US dollars, and through its convertible preferred shares, denominated in Canadian dollars, which could affect operating results, financial position and cash flows. All of the Company's sales are made in US dollars. The Company manages its exposure to these market risks through its regular operating and financing activities.

Credit risk

Certain of the Company's financial assets, including cash and cash equivalents, are exposed to credit risk. Credit risk on financial instruments arises from the potential for counterparties to default on their contractual obligations to the Company.

The Company is also exposed, in its normal course of business, to credit risk from its customers. For the year ended December 31, 2019, the Company's largest customer accounted for 48% (2018 – 78%) of revenue. In order to minimize the risk of loss for accounts receivable, the Company's extension of credit to customers involves a review by management and third party insurance on accounts receivable. The majority of the Company's sales are invoiced with payment terms up to 30 days. The Company's objective is to minimize its exposure to credit risk from customers in order to prevent losses on financial assets by performing regular monitoring of overdue balances and to provide an allowance for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk the Company will not have sufficient cash resources to meet its financial obligations as they come due. As described in note 1, the Company's liquidity, operating results and ability to meet its obligations as they fall due may be adversely affected if its ability to raise financing through loans or capital is hindered.

The Company generates cash flows primarily from its financing activities and participation in grant programs. As at December 31, 2019, the Company had cash and investment tax credits totalling \$3,285,195 (2018 – \$11,448,906) to settle current liabilities of \$1,321,276 (2018 – \$2,217,350).

The Company regularly evaluates its overall cash position and forecasted cash flows to ensure preservation and security of capital as well as maintenance of liquidity. All of the Company's financial liabilities are subject to normal trade terms.

Interest rate risk

The Company is exposed to interest rate fluctuations on its floating rate debt from Comerica Bank as included in loans.

Peraso Technologies Inc.

Notes to Financial Statements

December 31, 2019

12 Commitments

The Company is committed under an operating lease for office premises and is also committed to purchase software licences. The future minimum lease payments under the terms of this lease are as follows:

	\$
2020	1,327,394
2021	<u>302,737</u>
	<u>1,630,131</u>

13 Subsequent event

Subsequent to year-end, the COVID-19 pandemic began causing significant financial market declines and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The extent of the effect of the COVID-19 pandemic on the Company's business activities is unknown at this point, but it could impact the future demand and market prices for its services and its ability to raise necessary financing (see notes 1 and 11).

EXHIBIT "G"

EXHIBIT "G"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:
Nicholas A. Ains
2C12EFAB5242430...

Commissioner for Taking Affidavits

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

RESPONSE CONTAINS: APPROXIMATELY 10 FAMILIES and 24 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 10 ENQUIRY PAGE : 1 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 667512126 EXPIRY DATE : 04FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20110204 1054 1590 6289 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5N 1N5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

COMERICA BANK

09 ADDRESS : 200 BAY STREET, SUITE 2210, ROYAL BANK

CITY : TORONTO PROV: ON POSTAL CODE: M5J 2J2
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: MCMILLAN LLP (PF/AL/00201689)

17 ADDRESS : 181 BAY ST., STE. 4400, BROOKFIELD PLACE

CITY : TORONTO PROV: ON POSTAL CODE: M5J 2T3

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 10 ENQUIRY PAGE : 2 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 667512126 EXPIRY DATE : 04FEB 2021 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20110204 1054 1590 6289 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : PLAZA, SOUTH TOWER
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 10 ENQUIRY PAGE : 3 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

FILE NUMBER 667512126

PAGE TOT REGISTRATION NUM REG TYPE

01 CAUTION : 001 OF 1 MV SCHED: 20150924 1153 5064 8671

21 REFERENCE FILE NUMBER : 667512126

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 05 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: PERASO TECHNOLOGIES INC

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13

14

15

16 NAME : SECUREFACT TRANSACTION SERVICES, INC.

17 ADDRESS : 300-350 BAY STREET

CITY : TORONTO PROV : ON POSTAL CODE : M5H 2S6

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 10 ENQUIRY PAGE : 4 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

FILE NUMBER 667512126

PAGE TOT REGISTRATION NUM REG TYPE

01 CAUTION : 001 OF 3 MV SCHED: 20200115 1019 1590 4829

21 REFERENCE FILE NUMBER : 667512126

22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: PERASO TECHNOLOGIES INC.

25 OTHER CHANGE:

26 REASON: AMENDED TO (I) REFERENCE A CHANGE TO THE COLLATERAL CLASSIFICATION

27 /DESCR: FROM "INVENTORY", "EQUIPMENT", "ACCOUNTS", "OTHER" AND "MOTOR

28 : VEHICLES" TO "ACCOUNTS" AND "OTHER" ONLY, AND (II) ADD THE BELOW

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10 X X

11

12

13 THE SUM OF (I) C\$25,000 HELD IN COMERICA BANK, CANADA BRANCH TWO DAY

14 NOTICE DEPOSIT REFERENCE NUMBER 126910 AT COMERICA BANK, AND (II)

15 US\$10,000 HELD IN COMERICA BANK, CANADA BRANCH TWO DAY NOTICE DEPOSIT

16 NAME : MCMILLAN LLP (PF/AL/201689)

17 ADDRESS : 181 BAY ST, SUITE 4400, BROOKFIELD PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5J 2T3

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 10 ENQUIRY PAGE : 5 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

FILE NUMBER 667512126

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 002 OF 3 MV SCHED: 20200115 1019 1590 4829

21 REFERENCE FILE NUMBER : 667512126

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON: GENERAL COLLATERAL DESCRIPTION

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13 REFERENCE NUMBER 126909 AT COMERICA BANK (OR ANY AND ALL OTHER

14 DEPOSIT ACCOUNT(S) OF THE DEBTOR ESTABLISHED WITH COMERICA BANK FROM

15 TIME TO TIME IN REPLACEMENT OR SUBSTITUTION THEREFOR INCLUDING ANY

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 10 ENQUIRY PAGE : 6 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

FILE NUMBER 667512126

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 003 OF 3 MV SCHED: 20200115 1019 1590 4829

21 REFERENCE FILE NUMBER : 667512126

22 AMEND PAGE: NO PAGE: CHANGE: REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13 DEPOSIT ACCOUNT(S) ESTABLISHED WITH A NEW ACCOUNT NUMBER, WHETHER

14 REQUIRED BY COMERICA BANK, UPON MATURITY OR RENEWAL OF ANY TIME

15 DEPOSIT OR OTHERWISE) AND ALL INTEREST PAID THEREON.

16 NAME :

17 ADDRESS :

CITY : PROV : POSTAL CODE :

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 10 ENQUIRY PAGE : 7 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 674037882 EXPIRY DATE : 01NOV 2021 STATUS :
01 CAUTION FILING : PAGE : 001 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20111101 1115 5064 8097 REG TYP: P PPSA REG PERIOD: 10
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ELECTRO RENT LLC
09 ADDRESS : 210 BRUNEL ROAD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1T5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 AT-81180A 4GSA/S ARBITRARY WAVEFORM GENERATOR, ASSET NO. 434158H,
14 SERIAL NO. IL50280148. AT-81180A-264 2CH 4GSA/S ARBITRARY WAVEFORM
15 GENERATOR. 64M SAMPLE MEMORY PER CHANNEL, ASSET NO. 434159F, SERIAL
16 AGENT: SECUREFACT TRANSACTION SERVICES, INC.
17 ADDRESS : 350 BAY STREET, SUITE 300
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2S6

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 10 ENQUIRY PAGE : 8 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 674037882 EXPIRY DATE : 01NOV 2021 STATUS :
01 CAUTION FILING : PAGE : 002 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20111101 1115 5064 8097 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 NO. IL50280148. AT-81180A-F4G FILTER SET (4GSA/S) FOR ONE CHANNEL,
14 ASSET NO. 434160A, SERIAL NO. IL50280148. AT-MSO9404A INFINIUM MSO
15 - 4 GHZ, 10/20 GSA/S, 4+16 CH, ASSET NO. 434165A, SERIAL NO.
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 10 ENQUIRY PAGE : 9 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 674037882 EXPIRY DATE : 01NOV 2021 STATUS :
01 CAUTION FILING : PAGE : 003 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20111101 1115 5064 8097 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 MY51260195. AT-1131A PROBE AMPLIFIER - INFINIIMAX, 3.5 GHZ, ASSET

14 NO. 434161I, SERIAL NO. US49410952. AT-1131A PROBE AMPLIFIER -

15 INFINIIMAX, 3.5 GHZ, ASSET NO. 434162G, SERIAL NO. US49410948.

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 10 ENQUIRY PAGE : 10 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 674037882 EXPIRY DATE : 01NOV 2021 STATUS :
01 CAUTION FILING : PAGE : 004 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20111101 1115 5064 8097 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 AT-E2669A CONNECTIVITY KIT, INFINIIMAX - FOR DIFFERENTIAL
14 MEASUREMENTS, ASSET NO. 434163E, SERIAL NO. US49410950. AT-E2669A
15 CONNECTIVITY KIT, INFINIIMAX - FOR DIFFERENTIAL MEASUREMENTS, ASSET
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 10 ENQUIRY PAGE : 11 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 674037882 EXPIRY DATE : 01NOV 2021 STATUS :
01 CAUTION FILING : PAGE : 005 OF 5 MV SCHEDULE ATTACHED :
REG NUM : 20111101 1115 5064 8097 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 NO. 434164C, SERIAL NO. N/A.
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 10 ENQUIRY PAGE : 12 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 676742013 EXPIRY DATE : 09MAR 2022 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20120309 1236 5064 2715 REG TYP: P PPSA REG PERIOD: 10
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ELECTRO RENT LLC
09 ADDRESS : 210 BRUNEL ROAD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1T5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION
13 RS-FSUP26/P2 20HZ-26.5GHZ SIGNAL SOURCE ANALYZER WITH INTEGRATED
14 SPECTRUM ANALYZER/B10- EXTERNAL GENERATOR CONTRL/B18-REMOVABLE HARD
15 DISK/B21-LO/IF CONNECTIONS FOR EXS/B23-3.6-26.5GHZ PREAMP/B25-ELEC
16 AGENT: SECUREFACT TRANSACTION SERVICES, INC.
17 ADDRESS : 350 BAY STREET, SUITE 300
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2S6

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 3 OF 10 ENQUIRY PAGE : 13 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 676742013 EXPIRY DATE : 09MAR 2022 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20120309 1236 5064 2715 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 ATTENUATOR W PREAMP/B4-OCXO LOW AGING/B60-LOW PHASE NOISE
14 BOARD/B61V23-CROSS CORR FREQ W/PREAMP, ASSET NO.1397434H
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 10 ENQUIRY PAGE : 14 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 703450458 EXPIRY DATE : 05FEB 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20150205 1158 5064 9012 REG TYP: P PPSA REG PERIOD: 10
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ELECTRO RENT LLC
09 ADDRESS : 210 BRUNEL ROAD
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4Z 1T5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 ONE KT-M8190A ARBITRARY WAVEFORM GENERATOR 14 BIT / 8GSA/S AND, ASSET
14 NO. 434499B, SERIAL NO. MY52200843 ONE KT-M8190A-002 ARBITRARY
15 WAVEFORM GENERATOR, 2 CHANNELS, ASSET NO. 434500C, SERIAL NO.
16 AGENT: SECUREFACT TRANSACTION SERVICES, INC.
17 ADDRESS : 300-350 BAY STREET
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2S6

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 10 ENQUIRY PAGE : 15 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 703450458 EXPIRY DATE : 05FEB 2025 STATUS :
01 CAUTION FILING : PAGE : 002 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20150205 1158 5064 9012 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 MY52200843 ONE KT-M8190A-14B 14 BIT RESOLUTION WITH 8 GSA/S, ASSET

14 NO. 434501A, SERIAL NO MY52200843 ONE KT-M8190A-BU2 BUNDLE 2

15 CONSISTING OF M9502A AXIE CHASSIS WI, ASSET NO 434502I, SERIAL NO.

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 10 ENQUIRY PAGE : 16 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 703450458 EXPIRY DATE : 05FEB 2025 STATUS :
01 CAUTION FILING : PAGE : 003 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20150205 1158 5064 9012 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 MY52200843 ONE KT-M9045B PCIE EXPRESSCARD ADAPTER- GEN 1, X1, ASSET
14 NO 434503G, SERIAL NO. MY52200843 ONE KT-M9502A-CFG001 AXIE CHASSIS-
15 2-SLOT WITH INTEGRATED SYSTEM, ASSET NO. 434504E, SERIAL NO.

16 AGENT:

17 ADDRESS :

CITY : PROV: POSTAL CODE:

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 4 OF 10 ENQUIRY PAGE : 17 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 703450458 EXPIRY DATE : 05FEB 2025 STATUS :
01 CAUTION FILING : PAGE : 004 OF 4 MV SCHEDULE ATTACHED :
REG NUM : 20150205 1158 5064 9012 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 MY52200843 ONE KT-Y1200B PCIE CABLE- X1 TO X8, 2.0M, ASSET NO.
14 434505C, SERIAL NO. MY52200843
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 5 OF 10 ENQUIRY PAGE : 18 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 758928465 EXPIRY DATE : 30DEC 2032 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20191230 1440 9234 9769 REG TYP: P PPSA REG PERIOD: 13
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROADMAP PERASO LP III
09 ADDRESS : 130 BLOOR STREET WEST, SUITE 603
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1N5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11

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GENERAL COLLATERAL DESCRIPTION

13

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15

16 AGENT: STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 6 OF 10 ENQUIRY PAGE : 19 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 760932333 EXPIRY DATE : 16MAR 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20200316 1056 9234 0850 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROADMAP PERASO LP III
09 ADDRESS : 130 BLOOR STREET WEST, SUITE 603
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1N5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

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16 AGENT: STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 7 OF 10 ENQUIRY PAGE : 20 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 760932342 EXPIRY DATE : 16MAR 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20200316 1056 9234 0851 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROADMAP PERASO LP III (U.S. AND OFFSHORE)
09 ADDRESS : 130 BLOOR STREET WEST, SUITE 603
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1N5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST, 199 BAY STREET

CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 8 OF 10 ENQUIRY PAGE : 21 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 761924403 EXPIRY DATE : 15MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20200515 1332 9234 1924 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROADMAP PERASO LP III
09 ADDRESS : 130 BLOOR STREET WEST, SUITE 603
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1N5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.
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12
GENERAL COLLATERAL DESCRIPTION
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16 AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS : 5300 COMMERCE COURT WEST 199 BAY ST.
CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 9 OF 10 ENQUIRY PAGE : 22 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 761924421 EXPIRY DATE : 15MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
REG NUM : 20200515 1333 9234 1925 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
ROADMAP PERASO LP III (U.S. AND OFFSHORE)
09 ADDRESS : 130 BLOOR STREET WEST, SUITE 603
CITY : TORONTO PROV: ON POSTAL CODE: M5S 1N5
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST 199 BAY ST.

CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 10 ENQUIRY PAGE : 23 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 761924439 EXPIRY DATE : 15MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20200515 1333 9234 1926 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: PERASO TECHNOLOGIES INC.
OCN :
04 ADDRESS : 144 FRONT STREET WEST, SUITE 685
CITY : TORONTO PROV: ON POSTAL CODE: M5J 2L7
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
POLAR MULTI-STRATEGY MASTER FUND
09 ADDRESS : 401 BAY STREET, SUITE 1900, PO BOX 19
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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15

16 AGENT: STIKEMAN ELLIOTT LLP

17 ADDRESS : 5300 COMMERCE COURT WEST 199 BAY ST.

CITY : TORONTO PROV: ON POSTAL CODE: M5L 1B9

CONTINUED

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: PERASO TECHNOLOGIES INC.

FILE CURRENCY: May 24, 2020

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 10 OF 10 ENQUIRY PAGE : 24 OF 24

SEARCH : BD : PERASO TECHNOLOGIES INC.

00 FILE NUMBER : 761924439 EXPIRY DATE : 15MAY 2025 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20200515 1333 9234 1926 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
POLAR ASSET MANAGEMENT PARTNERS INC.
09 ADDRESS : 401 BAY STREET, SUITE 1900, PO BOX 19
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
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16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:
LAST SCREEN

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

EXHIBIT "H"

EXHIBIT "H"

referred to in the Affidavit of

RONALD GLIBBERY

Sworn June 2, 2020

DocuSigned by:

Nephas Ains

2C12EFAB5242430...

Commissioner for Taking Affidavits

Peraso Technologies Inc.**Forecast Cash Flow**

thousands, USD

Note

30-May-20

6-Jun-20

13-Jun-20

20-Jun-20

30-May-20

5-Jun-20

12-Jun-20

19-Jun-20

26-Jun-20

26-Jun-20

Receipts

Sales Collections

2

-

-

-

-

-

Other Receipts

3

-

-

-

-

-

Total Receipts

0.0

0.0

0.0

0.0

0.0

Disbursements

Personnel, Payroll & Benefits

4

107.8

273.3

9.7

267.0

657.9

Operating Expenses

5

52.4

56.0

48.5

54.3

211.3

Software and IT Expenses

6

18.9

-

12.6

-

31.5

Rent

7

56.8

-

-

12.7

69.5

Restructuring Costs

8

138.8

75.0

61.7

62.7

338.1

Total Disbursements

374.7

404.3

132.5

396.7

1,308.3

Net Cash Flow

(374.7)

(404.3)

(132.5)

(396.7)

(1,308.3)

Opening Available Cash Balance

1

1,351.9

977.2

572.9

440.4

1,351.9

Closing Available Cash Balance

977.2

572.9

440.4

43.6

43.6

In the Matter of the CCAA of Peraso Technologies Inc. (the “Applicant”)**Notes to the Applicant’s Unaudited Cash Flow Projection****Disclaimer:**

In preparing this cash flow projection (the “**Projection**”), the Applicant has relied upon unaudited financial information and the Applicant has not attempted to further verify the accuracy or completeness of such information. The Projection includes estimates concerning the operations of the company and additional assumptions discussed below with respect to the requirements and impact of a ***Companies’ Creditors Arrangement Act*** (“**CCAA**”) filing. Since the Projection is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Projection period will vary from the Projection, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Projection reflects cash flows from the Applicant’s operations on a “business as usual” basis. The Applicant, with the assistance of the Monitor, has prepared the Projection based primarily on historical results and Peraso’s current expectations.

The Projection assumes that pre-filing amounts owing to third party suppliers, excluding contractors, will be stayed, while all post-filing goods and services from and service providers will be settled in the normal course.

The cash flow projection is presented in thousands of United States dollars. Receipts and disbursements denominated in US currency have been converted into Canadian dollars using an exchange rate of CAD 1.3787 = USD 1.00.

Assumptions:**1. Beginning balance**

This represents the cash balance as of May 30, 2020.

2. Sales Receipts

Peraso’s sales receipts are based on forecast collections from opening accounts receivable and projected sales during the projection period. Collections are estimated based on revenue forecasts and customer collection experience.

3. Other

Other collections include anticipated receipts related to HST refunds, based on anticipated input tax credits and sales tax collected.

4. Personnel, Payroll & Benefits

These disbursements include payroll costs for all salaried employees and full-time contractors and are forecast based on historical run rates and expected disbursements. Salaried employees are paid bi-monthly, while contractors are paid monthly based on invoiced time. These disbursements include employment taxes, payroll processing fees and reimbursement payments. All statutory deemed trust amounts in favour of the Crown in right of Canada or any Province or other taxing authority that are required to be deducted from employee wages including, in respect of employee insurance, Canada Pension Plan and income taxes will be remitted.

5. Operating Expenses

These disbursements include business insurance, telephone services, office supplies, royalty fees, tax services, delivery services, kitchen supplies, and postage, among others.

6. Software & IT Expenses

These disbursements include all software license fees and information technologies cost, including IT supplies and equipment less than \$1,500.

7. Rent

These disbursements include rental and building operating costs for facilities and equipment rental costs.

8. Restructuring costs

Restructuring costs include the estimated fees and disbursements of the Applicant's Canadian and US legal Counsel, the CCAA Monitor and its Canadian and US legal counsel.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERASO TECHNOLOGIES INC.

Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF RONALD GLIBBERY
SWORN JUNE 2, 2020

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicant, Peraso Technologies Inc.

EXHIBIT B

Pre-Filing Report of the Proposed Monitor

Court File No.: CL-

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF PERASO TECHNOLOGIES INC.**

Applicant

**PRE-FILING REPORT OF THE PROPOSED MONITOR
ERNST & YOUNG INC.**

June 2, 2020

Thornton Grout Finnigan LLP
3200 – 100 Wellington Street West
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca

Andrew Hanrahan (LSO# 78003K)
Email: ahanrahan@tgf.ca

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Proposed Monitor, Ernst &
Young Inc.

Court File No.: CL-

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF PERASO TECHNOLOGIES INC.

Applicant

PRE-FILING REPORT OF THE PROPOSED MONITOR
ERNST & YOUNG INC.

INTRODUCTION

1. Ernst & Young Inc. (“EY” or the “**Proposed Monitor**”) understands that Peraso Technologies Inc. (“Peraso”, the “**Company**” or the “**Applicant**”) has brought an application (the “**CCAA Application**”) before this Court returnable on June 3, 2020, seeking an Initial Order (the “**Proposed Initial Order**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) to, among other things, obtain a stay of proceedings to allow it an opportunity to restructure its business and affairs. The Applicant proposes that EY be appointed as Monitor of the Applicant in this CCAA proceeding (in such capacity, the “**Monitor**”).
2. This report (the “**Report**”) has been prepared by the Proposed Monitor prior to its appointment as Monitor, should this Court grant the Proposed Initial Order, to provide information to the Court for its consideration in respect of the Applicant’s CCAA Application.

PURPOSE

3. The purpose of this Report is to provide information to this Court about:
 - i) EY's qualifications to act as Monitor;
 - ii) an overview of the Applicant;
 - iii) the Applicant's operational and legal challenges;
 - iv) a summary of the Applicant's financial position;
 - v) the Applicant's decision to commence a CCAA proceeding and to seek foreign recognition before a court of competent jurisdiction in the United States (the "**U.S. Court**") exercising authority under Chapter 15 of the United States' Bankruptcy Code (the "**Chapter 15 Proceeding**");
 - vi) an overview of the Applicant's four (4) week cash flow forecast (the "**Cash Flow Forecast**");
 - vii) the anticipated need for interim financing; and
 - viii) certain relevant matters about the relief sought in the Proposed Initial Order.

TERMS OF REFERENCE

4. Capitalized terms used but not defined in this Report are defined in the Affidavit of Ronald Glibbery sworn in connection with the Company's Application (the "**Glibbery Affidavit**") and the Proposed Initial Order.
5. In preparing this Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books, records and financial information prepared by the Applicant, discussions with management of the Applicant ("**Management**"), and information from other third party sources (collectively, the "**Information**"). Except as described in this Report in respect of the Cash Flow Forecast:
 - i) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided.

However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- ii) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.
6. Future oriented financial information referred to in this Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise indicated, the Proposed Monitor’s understanding of factual matters expressed in this Report concerning the Applicant and its business is based on the Information, and not independent factual determinations made by the Proposed Monitor.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

EY’s QUALIFICATION TO ACT AS MONITOR

9. EY is a licensed insolvency trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada). EY is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.

10. On May 19, 2020, EY was retained by the Applicant to assist it and its legal counsel and to review and analyze the Applicant's strategic alternatives and options. EY has worked with Management and the Applicant's legal counsel to assist with planning and in the preparation of materials for the CCAA Application.
11. The Proposed Monitor has retained Thornton Grout Finnigan LLP and Allen & Overy LLP to act as its Canadian and United States counsel, respectively.

OVERVIEW OF THE APPLICANT

12. This Report should be read in conjunction with the Glibbery Affidavit for additional background and financial information with respect to the Applicant.
13. The Applicant is a small, private company incorporated under the *Business Corporations Act* (Ontario) specializing in the development of integrated circuits and chipsets. The Applicant's place of business is at 144 Front Street West, Suite 685, Toronto, Ontario, M5J 2L7, Canada. The Applicant does not have any subsidiary corporations.
14. The Applicant's products are primarily used in wireless technology that operates on the 60 gigahertz ("GHz") band and are being designed to power the next generation of high-speed wireless networks.
15. While Peraso currently generates most of its revenue by providing engineering services, it anticipates its future revenue will be primarily derived from two primary product lines: (i) software and (ii) chipsets. "Software" refers to the programs and technology used by computers, but does not consist of a physical item. "Chipsets" are physical products, made up of electrical components, at least one radio, one baseband, and typically an antenna. Peraso primarily manufactures and distributes two chipsets:
 - i) **"W" Series Chipsets** – these chipsets operate as an alternative to wired technology in consumer electronic devices; and

- ii) **“X” Series Chipsets** – these chipsets work with high performance wireless applications and can create wireless networks with a range of more than 1.5 km.
16. Peraso is in the process of leveraging its expertise with the 60 GHz wireless technology to enter the highly publicized 5G market.
17. The Applicant currently employs approximately 78 individuals and contractors in Canada and the United States.
18. The Applicant’s largest customer is Ubiquiti Inc. and its affiliates (**“Ubiquiti”**). That is largely due to two factors: (i) Ubiquiti is one of the largest players in the wireless networking market which, in turn, makes it a large purchaser of chipsets; and (ii) as discussed below, the Exclusivity Clause in the Licence Agreement (as defined and described below) had effectively prevented the Applicant from selling certain chipsets to customers other than Ubiquiti. The Applicant is starting to expand its customer base and develop revenue streams independent of Ubiquiti, however this remains an ongoing process.
19. The Applicant entered into an exclusive license agreement (the **“License Agreement”**) with Ubiquiti on December 21, 2018. This agreement was part of a larger transaction pursuant to which Ubiquiti was granted an exclusivity clause which stipulated that, with few exceptions, the Applicant would not manufacture, distribute, offer or sell its products in certain markets, other than to Ubiquiti or its affiliates (the **“Exclusivity Clause”**). Simultaneously with the License Agreement, and in consideration for the obligations undertaken by the Applicant in the License Agreement, Ubiquiti’s Canadian subsidiary, Ubiquiti Networks Canada Inc., (**“Ubiquiti Canada”**) agreed, pursuant to a Class C Series 1 Convertible Preferred Share Subscription Agreement (the **“Share Subscription Agreement”**), that, upon the Applicant achieving each of three defined milestones related to the chipsets (each a **“Tranche Development Milestone”**), Ubiquiti Canada would make certain purchases of the Applicant’s shares.

20. The Proposed Monitor understands that there is a dispute between the Applicant and Ubiquiti regarding whether the Applicant achieved the Second and Third Tranche Milestones. Pursuant to the License Agreement and the Share Subscription Agreement, achievement of the Second and Third Tranche Milestones triggers an obligation on Ubiquiti to cause purchases by Ubiquiti Canada of the Applicant's shares in the amounts of \$2 million and \$8 million, respectively. Ubiquiti has not made these share purchases.
21. On January 16, 2020, the Applicant terminated the License Agreement, including the Exclusivity Clause. As discussed further below, this termination is now the subject of ongoing litigation.
22. The Proposed Monitor understands that the Applicant was relying on the cumulative \$10 million investment by Ubiquiti to provide liquidity for the business's ongoing operations. Ubiquiti has not made that investment. As a result, the Applicant sought alternative sources of financing in the fall of 2019 and spring of 2020. This process resulted in the issuance of notes bearing an annual interest rate of 6%, and maturing on December 31, 2023, in the aggregate principal amount of \$1,748,035.40 and approximately \$3,885,000, respectively. Ubiquiti did not participate in the issuance of the notes. The only parties to subscribe were the Polar Multi-Strategy Master Fund and funds affiliated with Roadmap Capital Inc.
23. Further details with respect to the Applicant are contained in the Glibbery Affidavit.

DECISION TO COMMENCE AN INSOLVENCY PROCEEDING

24. As described in the Glibbery Affidavit, the Applicant faces a pending liquidity crisis and an inability to satisfy its payment obligations as they become due. The Applicant anticipates that it will run out of cash by late June 2020.
25. The Applicant requires additional financing if it is to continue operating beyond late June 2020. The Proposed Monitor is advised by Management that the Applicant has been unable to obtain such financing or consummate any other viable transactions due to, among other things, ongoing litigation with Ubiquiti.

26. The Applicant states that it has spoken with multiple potential sources of financing and they have all been deterred from entering into transactions with the Applicant because of uncertainty around the Applicant's future business prospects and capitalization structure resulting from the ongoing litigation.
27. All outstanding litigation commenced by Ubiquiti or Ubiquiti Canada (collectively, the "**Ubiquiti Actions**") against the Applicant are described in more detail in the Glibbery Affidavit. Briefly, the Ubiquiti Actions include the following:
- i) An action in the United States District Court for the Southern District of New York styled *Ubiquiti Inc. v. Peraso Technologies Inc., et al.*, Case No. 1:20-cv-01312-LTS-GWG, seeking, among other things: (i) a declaratory judgment holding that the Licence Agreement is in full force and effect; (ii) a declaratory judgment that the Applicant is obligated to honour the terms of the Licence Agreement; and (iii) monetary damages of \$5 million. Peraso has asserted a Counterclaim seeking, among other things: (i) a declaratory judgment that Peraso has satisfied its obligations under the Licence Agreement, Ubiquiti has not fulfilled its obligations under the Licence Agreement, and Peraso properly terminated the Licence Agreement; and (ii) monetary damages.
 - ii) An application in the Ontario Superior Court styled *Ubiquiti Networks Canada Inc. v. Peraso Technologies Inc.*, Court File No. CV-20-00636535-00CL, alleging that Peraso was in default of its obligations to provide Ubiquiti Canada, through an observer appointed by Ubiquiti Canada to observe the Peraso Board, with notices of meetings of the Peraso Board and all written information provided to the Peraso Board or any committee thereof. This application was resolved on consent and Peraso agreed to provide the materials sought by Ubiquiti.
 - iii) A second application in the Ontario Superior Court styled *Ubiquiti Networks Canada Inc. v. Peraso Technologies Inc.*, Court File No. CV-20-00639788-00CL, alleging that Peraso failed to provide Ubiquiti Canada

with access to its books and records required to be maintained pursuant to s. 140(1) of the *Business Corporations Act* (Ontario).

- iv) An action in the Ontario Superior Court styled *Ubiquiti Networks Canada Inc. v. Peraso Technologies Inc. et al.*, Court File No. CV-20-00639269-0000, seeking, among other things, (i) a determination that certain actions taken by Peraso in securing financing in March 2020 amounted to oppression pursuant to s. 248 of the *Business Corporations Act* (Ontario); and (ii) a declaration that Peraso's shareholder meeting held on March 12, 2020, and any and all votes taken, and resolutions approved, at that meeting are void.
28. As of the date of this Report, other than the action referenced in paragraph 27(ii) above, which has since been resolved, the Ubiquiti Actions are in progress. The Applicant anticipates that significant legal and other professional fees will be required to litigate these claims. As previously described, the Applicant has limited available capital and does not anticipate being able to simultaneously fund this litigation while remaining in business.
29. In short, the Applicant believes that the ongoing Ubiquiti Actions are impairing the Applicant's ability to obtain financing or engage with potential purchasers. The Applicant believes that resolving the subject matter of the litigation as part of its restructuring would: (i) make the Applicant a more attractive candidate for an acquisition or financing, and (ii) could allow the Applicant to find new customers and increase its revenue.
30. The proposed CCAA process would allow the Applicant to: (i) stabilize its liquidity position under Court supervision; and (ii) focus on resolving the claims asserted against it in the Ubiquiti Actions.

SUMMARY OF THE APPLICANT'S FINANCIAL POSITION

31. A copy of the Applicant's audited financial statements for the year ended December 31, 2019 are attached as Exhibit "F" to the Glibbery Affidavit.

32. The following is a summary of the financial position of the Applicant. The Applicant's financial position is described in more detail in the Glibbery Affidavit.
33. As at December 31, 2019, the Applicant had total assets with an aggregate book value of approximately \$8.9 million, of which approximately \$3.0 million related to property and equipment. In addition, the Applicant owns intangible property including approximately 25 patents (many of which are related to next-generation wireless technology).
34. As at December 31, 2019, the Applicant had total liabilities of approximately \$122 million, primarily related to certain convertible preferred shares, and dividends payable therein. Subsequent to year-end, these preferred shares were converted and are now recorded as equity in the financial statements of Peraso. Following the conversion of certain preferred shares to equity, Peraso's liabilities as at April 30, 2020 were approximately \$6.2 million. The Applicant has made no provision for any contingent liability arising out of the Ubiquiti Actions.

Banking Arrangements

35. The Applicant's primary banking relationship is with Comerica Incorporated, which maintains Peraso's Canadian and United States dollar bank accounts (the "**Comerica Accounts**"), used for the Applicant's cash receipts and disbursements.
36. During the CCAA proceeding, Peraso intends to continue to use the Comerica Accounts for its normal course business and banking requirements.

OVERVIEW OF THE 4-WEEK CASH FLOW PROJECTION

37. The Applicant, with the assistance of the Proposed Monitor, has prepared the Cash Flow Forecast for the four (4) week period from May 30, 2020 to June 26, 2020 (the "**Cash Flow Period**") for the purpose of projecting the Applicant's estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached as Exhibit "H" to the Glibbery Affidavit.

38. The Cash Flow Forecast has been prepared by the Applicant using probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast. The Cash Flow Forecast reflects Management's estimates of receipts and disbursements on a weekly basis over the four (4) week Cash Flow Period.
39. The opening cash position of the Applicant at the time of the CCAA Application is estimated to be approximately \$1.352 million. The cost of the CCAA proceedings will be paid from the Applicant's available cash. The Applicant's Cash Flow Forecast estimates that during the Cash Flow Period, the Applicant will not collect any receipts and will incur projected estimated disbursements of approximately \$1.308 million. The Cash Flow Forecast projects that the Applicant will have sufficient liquidity during the proposed 10-day Initial Stay Period (as defined below) based on their existing cash resources. The Applicant, with the assistance of the Proposed Monitor, is seeking to address their short-term liquidity challenges, by, among other things, securing additional financing, including debtor-in-possession financing.
40. The Applicant is seeking a stay of proceedings for a period of ten (10) days until June 13, 2020 (the "**Initial Stay Period**"). The Proposed Monitor is cognizant of the current liquidity projections in the Cash Flow Forecast and intends to monitor the Applicant's liquidity throughout the Initial Stay Period and provide the Court with an update, in the event that it becomes apparent that the Applicant will not have sufficient liquidity to continue to fund their operations throughout the entirety of the Initial Stay Period.
41. The Proposed Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to Information supplied to it by certain key members of Management. Since the probable and hypothetical assumptions need not be supported, the Proposed Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposed Monitor also reviewed the

support provided by Management for the probable and hypothetical assumptions, and the preparation and presentation of the Cash Flow Forecast.

42. Based on the Proposed Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:
- i) the probable and hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - ii) as at the date of this Report, the probable and hypothetical assumptions developed by Management are not suitably supported and consistent with the restructuring plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast; or
 - iii) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.
43. As described in the Terms of Reference above, since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the probable and hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast, or relied upon by the Proposed Monitor in preparing this Report.
44. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

U.S. PROCEEDING

45. As described in the Glibbery Affidavit, if the Proposed Initial Order is granted, it is anticipated that recognition of the CCAA Proceeding and the terms of the Proposed Initial Order will be sought from the U.S. Court. The Proposed Monitor believes the Chapter 15 Proceedings will be needed because, among other things,

- (i) the Ubiquiti Litigation was initiated in the United States District Court for the Southern District of New York (the “**SDNY Court**”) against the Applicant and various current and former directors, and remains ongoing; and (ii) the Applicant maintains certain assets located in the United States, as described in the Glibbery Affidavit. The Chapter 15 Proceedings are necessary to ensure that, if the Proposed Initial Order is granted, this Court’s stay of proceedings pursuant to the CCAA is recognized and enforced in the United States generally and the SDNY Court specifically.
46. The Proposed Monitor is of the view that the assistance of the U.S. Court will be important to the efficient and effective conduct of the CCAA Proceeding and Peraso’s operations. Given that Peraso’s operations and employees are primarily located in Ontario, it is appropriate for the Applicant to commence its main proceedings in this jurisdiction, while the Proposed Monitor seeks the required recognition in the U.S. Court as the foreign representative.

INTERIM FINANCING

47. The Cash Flow Forecast prepared by Management suggests the Applicant will need to borrow funds in the course of the CCAA Proceeding. The projection indicates that although some cash is available to pay current obligations in the earlier part of the proceeding, borrowings will be required.
48. The Proposed Monitor understands the Applicant has had discussions with parties who indicated they will be prepared to advance funds if CCAA protection is obtained. However, no agreement has been reached as of the date of this Report.

SELECT RELEVANT MATTERS ADDRESSED IN THE PROPOSED INITIAL ORDER

49. The Proposed Initial Order provides for two priority charges (collectively, the “**Charges**”) on the current and future assets, undertakings and properties of the Applicant wherever located, including all proceeds thereof, that rank in the following order:

- i) first, the Administration Charge (to the maximum amount of CDN\$200,000); and
- ii) second, the Directors' Charge (to the maximum amount of CDN\$650,000).

Administration Charge

50. The Proposed Initial Order provides for a priority charge up to a maximum amount of CDN\$200,000 (the “**Administration Charge**”) in favour of the Applicant’s counsel and the Proposed Monitor and its Canadian and U.S. counsel, as security for the professional fees and disbursements incurred prior to and after the commencement of the CCAA proceedings. The Administration Charge has been established based on the respective professionals’ previous history and experience with restructurings of similar magnitude and complexity. The Administration Charge is intended to cover the Initial Stay Period and the Proposed Monitor understands the Applicant will seek to have the Administration Charge increased at a subsequent hearing.
51. The Proposed Monitor is of the view that, given the current liquidity constraints of the Applicant and the reasons set out in the Glibbery Affidavit, the proposed Administration Charge is required and reasonable in the circumstances.

Directors’ Charge

52. The Proposed Initial Order provides for a charge in an amount not to exceed CDN\$650,000 (the “**Directors’ Charge**”) to indemnify the current directors and officer of the Applicant (the “**Directors and Officers**”) against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of these CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of the director’s or officer’s gross negligence or wilful misconduct.
53. The Directors and Officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and

officers' insurance policy, or to the extent such coverage is insufficient to pay an indemnified amount as described above.

54. Peraso maintains directors' and officers' liability insurance (the "**D&O Insurance**"). The current D&O Insurance provides for total coverage of CDN\$2 million, with a current term of January 30, 2020 through January 30, 2021.
55. The amount of the Directors' Charge has been calculated by the Applicant taking into consideration the estimated payroll related costs for one pay period, and outstanding vacation payable. As Peraso does not typically make harmonized sales tax payments, no estimate for such costs has been included. The D&O Insurance has not been taken into account in the analysis of the Directors' Charge.
56. Due to the recent resignations from Peraso's Board of Directors, the remaining Directors are instrumental to these CCAA proceedings.
57. Having considered the Directors' and Officers' liability analysis prepared by the Applicant, the Proposed Monitor is of the view that the Directors' charge is required and reasonable in the circumstances.

Creditor Notification

58. The Proposed Initial Order contemplates that the Proposed Monitor shall, without delay after the granting of the Proposed Initial Order, publish for one (1) business day in the *Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA. Further, the Proposed Initial Order contemplates that the Proposed Monitor shall, in accordance with Section 23(1)(a) of the CCAA, within five (5) days of the date the Proposed Initial Order is made:
 - i) make the Proposed Initial Order publicly available as set out in the CCAA;
 - ii) send a notice of the making of the Proposed Initial Order to creditors known to the Applicant (the "**Known Creditors**") who, based on the Applicant's books and records have a claim against the Applicant of more than CDN\$1,000 (excluding any contractors, individual employees, consultants,

former employees with pension and/or retirement savings or benefits plan entitlements, and retirees and other beneficiaries who have entitlements under any pension or retirement savings plan); and

- iii) prepare a list showing the names, addresses and amounts owed by the Applicant to Known Creditors (excluding personal information of individuals).

- 59. As described above, the Proposed Initial Order seeks to carve out giving notice pursuant to paragraph 23(1)(ii)(B) of the CCAA of the commencement of these CCAA proceedings to creditors with claims exceeding CDN\$1,000 who are contractors, individual employees, former employees with pension and/or retirement savings or benefits plan entitlements, and retirees and other beneficiaries who have entitlements under any pension or retirement savings plan.
- 60. The Proposed Initial Order also contemplates that the Proposed Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the “**Service List**”) and shall post the Service List on its website.
- 61. The Proposed Monitor has arranged for a website at www.ey.com/ca/peraso (the “**Proposed Monitor’s Website**”). All court documents and certain other documents will be posted on the Proposed Monitor’s Website. Further, the Proposed Monitor has arranged for a toll free hotline phone number, 1-888-338-1759, and an alternative phone number, 416-943-3306, for calls related to this matter and an e-mail address, peraso.monitor@ca.ey.com, for e-mail correspondence with the Applicant’s creditors and other parties related to the CCAA proceedings.

CONSENT TO ACT AS MONITOR

62. The Proposed Monitor has reviewed the Applicant's filing materials and has consented to act as the Monitor should this Court grant the Proposed Initial Order as well as Foreign Representative for the purposes of the Chapter 15 Proceedings.

All of which is respectfully submitted this 2nd day of June, 2020.

ERNST & YOUNG INC.
Solely in its capacity as the Proposed Monitor of
Peraso Technologies Inc. and not
in its personal capacity

Per:

A handwritten signature in black ink, appearing to read "Brian Denega". The signature is fluid and cursive, with the first name "Brian" and last name "Denega" clearly distinguishable.

Brian M. Denega, CPA, CA, LIT, CIRP
Senior Vice President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **PERASO TECHNOLOGIES INC.**

Court File No. 20-CV-

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**PRE-FILING REPORT OF THE PROPOSED
MONITOR ERNST & YOUNG INC.**

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Lawyers for the Proposed Monitor, Ernst & Young
Inc.

EXHIBIT C

Unpublished orders or Foreign Decisions Cited in the Chapter 15 Papers

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----- x
In re : Chapter 15
:
Angiotech Pharmaceuticals, Inc., et al.¹ : Case No. ~~11-10629 (RC)~~ 11-10269
:
: Jointly Administered
Debtor in a Foreign Proceeding. :
----- x Ref. Docket Nos. 1 and 7

**ORDER GRANTING FINAL RELIEF IN AID OF
CANADIAN PROCEEDING PURSUANT TO SECTIONS
105(a), 1517, 1520, AND 1521 OF THE BANKRUPTCY CODE**

Upon consideration of the Verified Petitions commencing these cases and the motion (the “**Motion**”)² of Alvarez & Marsal Canada Inc. (the “**Monitor**”), in its capacity as the court-appointed monitor and authorized foreign representative of the above-captioned debtors (collectively, the “**Debtors**”) in a proceeding (the “**Canadian Proceeding**”) under *Canada’s Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Supreme Court of British Columbia (the “**Canadian Court**”), pursuant to sections 105(a), 1517, 1519, 1520, and 1521 of title 11 of the United States Code (the “**Bankruptcy Code**”), seeking: (a) entry of a provisional order (the “**Provisional Relief Order**”) applying sections 362 and 365(e) of the Bankruptcy Code in these chapter 15 cases, pursuant to sections 1519(a)(3),

¹ The last four digits of the United States Tax Identification Number or Canadian Business Number of the Debtors, as applicable, follow in parentheses: (i) 0741693 B.C. Ltd. (1270); (ii) Afmedica, Inc. (3293); (iii) American Medical Instruments Holdings, Inc. (1114); (iv) Angiotech America, Inc. (4001); (v) Angiotech BioCoatings Corp. (8560); (vi) Angiotech Delaware, Inc. (6401); (vii) Angiotech Florida Holdings, Inc. (9389); (viii) Angiotech International Holdings, Corp. (2274); (ix) Angiotech Pharmaceuticals, Inc. (6269); (x) Angiotech Pharmaceuticals (US), Inc. (9490); (xi) B.G. Sulzle, Inc. (4551); (xii) Manan Medical Products, Inc. (3265); (xiii) Medical Device Technologies, Inc. (3996); (xiv) NeuColl, Inc. (8863); (xv) Quill Medical, Inc. (7914); (xvi) Surgical Specialties Corporation (9848); and (xvii) Surgical Specialties Puerto Rico, Inc. (3379). The Debtors’ executive headquarters’ addresses are 1618 Station Street, Vancouver, BC A1 V6A 1B6, Canada, and 1633 Westlake Ave N., Suite 400, Seattle, WA 98109.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

1521(a)(7), and 105(a) of the Bankruptcy Code; (b) entry of this final order (this “**Recognition Order**”) after notice and a hearing (i) granting the petitions in these cases and recognizing the Canadian Proceeding as a foreign main proceeding under section 1517 of the Bankruptcy Code, (ii) giving full force and effect in the United States to the Initial Order, including any extensions or amendments thereof authorized by the Canadian Court, and (iii) granting the Debtors’ postpetition lenders certain protections afforded by the Bankruptcy Code; and (c) such other and further relief as this Court deems just and proper; and upon the First Day Declarations and the Memorandum of Law; and upon the Order Granting Provisional Relief Pursuant to Sections 105(a), 1519, 1520 and 1521 of the Bankruptcy Code Docket No. 26 (the “**Provisional Relief Order**”) previously entered by this Court; and the Court having considered the *Limited Objection of the Affected FRN Holders to the Motion for Final Relief in Aid of Canadian Proceeding* (the “**FRN Objection**”), the *United States’ Objection to the Motion to Approve Final Relief in Aid of Canadian Proceeding*, and the *Limited Objection by the United States to Motion for Provisional and Final Relief in Aid of Canadian Proceedings and Motion for Extension of Time*, and the *Response of the Monitor*, the accompanying *Declaration of John F. Grieve* in support of the *Response of the Monitor*, and the *Debtors’ Response and Joinder to Response of Monitor* filed in response to the FRN Objection; and any objections to the Motion that have not been withdrawn or resolved having been overruled; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410(1); and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given under the circumstances; and

upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

- (i) The Monitor is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.
- (ii) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- (iii) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.
- (iv) The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.
- (v) The Canadian Proceeding pending in the Canadian Court, in the location that is the Debtors' center of main interest, constitutes a foreign main proceeding pursuant to section 1502(4) of the Bankruptcy Code and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.
- (vi) The Monitor as a foreign representative is entitled, to the extent not inconsistent with the Initial Order, to all of the relief provided pursuant to section 1520 on the Bankruptcy Code.
- (vii) The Monitor has demonstrated that the borrowing authorized by the Initial Order is necessary to prevent a deterioration of value, which could result in significantly decreased recovery for the Debtors' creditors.
- (viii) The Monitor has demonstrated that the terms of the postpetition financing (the "**DIP Facility**") and the Credit Agreement (the "**DIP Credit Agreement**") entered into by and among Debtors and the agent and lenders that are party thereto (collectively, the "**DIP Lender**"), as approved in the Initial Order (in draft form), are fair and reasonable and were entered into in good faith by the Debtors and the DIP Lender and that the DIP Lender would not extend financing without the protection

provided by section 364(e) of the Bankruptcy Code, as made applicable by section 1521(a)(7) of the Bankruptcy Code.

- (ix) The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted.
2. The Petitions are granted and the Canadian Proceeding is hereby recognized as a “foreign main proceeding” pursuant to section 1517(b)(1) of the Bankruptcy Code.
3. The Initial Order, including any extensions or amendments thereto, is hereby enforced on a final basis and given full force and effect in the United States.
4. All relief afforded a foreign main proceeding pursuant to section 1520 of the Bankruptcy Code is hereby granted without limitation. Specifically, the automatic stay provisions of section 362, except as expressly provided otherwise in paragraphs 48(b) and (c) of the Initial Order, and the provisions of section 363 of the Bankruptcy Code apply with respect to the Debtors and any property of the Debtors that is within the territorial jurisdiction of the United States throughout the duration of these chapter 15 cases or until otherwise ordered by this Court.
5. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all other prior relief granted pursuant to the Provisional Relief Order pursuant to section 1519(a) of the Bankruptcy Code is hereby extended on a final basis.
6. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding against any party to the extent set forth in sections 362(b) or 1521(d) of the Bankruptcy Code.

7. Pursuant to the Initial Order, the Debtors are hereby authorized and empowered to enter into the DIP Credit Agreement, substantially in the form attached to the Motion as Exhibit A, and are authorized and empowered to borrow, repay, and reborrow up to \$28 million from the DIP Facility under and in accordance with the terms of the DIP Credit Agreement.

8. The Debtors are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”) as are contemplated by the DIP Credit Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Debtors are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the Definitive Documents, including, but not limited to, the fees and expenses of the DIP Lender’s Canadian and United States counsel, and other advisors, as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

9. Pursuant to section 364 of the Bankruptcy Code and subject to the priorities, terms, and conditions of the Initial Order, to secure current and future amounts outstanding under the DIP Credit Agreement, the DIP Lender is hereby granted the DIP Lender’s Charge on all of the Debtors’ United States assets in the maximum amount of all DIP Obligations (as defined in the Initial Order) outstanding under the DIP Facility at any given time.

10. Any obligations incurred by the Debtors as a result of entering into or performing their obligations under the DIP Credit Agreement do not and will not constitute

preferences, fraudulent conveyances or transfers, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

11. The Definitive Documents have been negotiated in good faith and at arms' length between the Debtors and the DIP Lender. Any financial accommodations made to the Debtors by the DIP Lender pursuant to the Initial Order and the Definitive Documents shall be deemed to have been made by the DIP Lender in good faith, as that term is used in section 364(e) of the Bankruptcy Code. Accordingly, pursuant to sections 105(a) and 1521(a)(7) of the Bankruptcy Code, section 364(e) of the Bankruptcy Code hereby applies for the benefit of the DIP Lender, and the validity of the indebtedness, and the priority of the liens authorized by the Initial Order made enforceable in the United States by this Recognition Order, shall not be affected by any reversal or modification of this Recognition Order on appeal or the entry of an order denying recognition of the Canadian Proceeding pursuant to section 1517 of the Bankruptcy Code.

12. Notwithstanding any other provision of this Order: (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents; provided, however, that the DIP Lender's Charge shall be and hereby is deemed a fully perfected lien and security interest, effective and perfected upon entry of this Recognition Order without the necessity of execution by the Debtors of mortgages, security agreements, pledge agreements, financing agreements, financing statements, and other agreements or instruments, such that no additional steps need be taken by the DIP Lender to perfect the DIP Lender's Charge; (b) the DIP Lender may cease making advance payments to the Debtors in accordance with, and as provided in, the DIP Credit Agreement; (c) upon the occurrence of an event of default under the

DIP Credit Agreement, or the DIP Lender's Charge, the DIP Lender and/or agent and the lenders under the Wells Fargo Credit Agreement (as defined in the Initial Order), may, upon five days' notice to the Debtors and the Monitor, (i) exercise any and all of its, or their, rights and remedies against the Debtors or the Property (as defined in the Initial Order) under or pursuant to the Wells Fargo Credit Agreement, the DIP Credit Agreement, the Definitive Documents and the DIP Lender's Charge, including without limitation, to set-off and/or consolidate any amounts owing to the DIP Lenders and/or the agents and lenders under the Wells Fargo Credit Agreement by the Debtors against the DIP Obligations (as defined in the Initial Order), the Definitive Documents, the DIP Lender's Charge or the Obligations under the Wells Fargo Creditor Agreement, to make demand, accelerate payment and give other notices or to apply to court for the appointment of a receiver, receiver manager or interim receiver, or for a bankruptcy order against the Debtors and for the appointment of a trustee in bankruptcy of the Debtors; and (ii) the DIP Lender, the agent and lenders under the Wells Fargo Credit Agreement shall be entitled to seize and retain proceeds from the sale of the Property and the cash flow of the Debtors to repay amounts owing to the lenders under the Wells Fargo Credit Agreement and the DIP Lender under the DIP Facility in each case, in accordance with the Definitive Documents and the DIP Lender's Charge, but subject to the priorities as set out in paragraphs 55 and 57 of the Initial Order. The foregoing rights and remedies of the DIP Lender and the agent and lenders under the Wells Fargo Credit Agreement in this paragraph 11 shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Debtors or the Property.

13. No action taken by the Monitor, the Debtors, or each of their successors, agents, representatives, advisors, or counsel, in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian

Proceeding, this Recognition Order, or the Chapter 15 Cases or any adversary proceeding therein, or any further proceeding commenced thereunder, shall be deemed to constitute a waiver of the immunity afforded such person under sections 306 and 1510 of the Bankruptcy Code.

14. The Chapter 15 Petitions, the Motion, the Provisional Relief Order and this Recognition Order shall be made publicly available by the Monitor on its website at www.alvarezandmarsal.com/angiotech or upon request to its counsel, Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020, Attn. Jonathan Cho, Esq.

15. Notwithstanding any provision in the Bankruptcy Rules to the contrary:

- (a) this Recognition Order shall be effective immediately and enforceable upon its entry;
- (b) neither the Monitor, nor the DIP Lender, nor the agent and lenders under the Wells Fargo Credit Agreement (to the extent provided in paragraphs 48(b) and (c) of the Initial Order), is subject to any stay in the implementation, enforcement or realization of the relief granted in this Recognition Order; and (c) the Monitor is authorized and empowered, and may in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Recognition Order.

16. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Recognition Order, any requests for additional relief or any adversary proceeding brought in and through the Chapter 15 Cases, and any request by an entity for relief from the provisions of this Recognition Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: Wilmington, Delaware
FEB. 22, 2011

17. See rider attached
hereto.


UNITED STATES BANKRUPTCY JUDGE

17. In light of the FRN Objection having been withdrawn by certain minority holders of Senior floating rate notes (the "Minority FRN Holders") on the record at the February 22, 2011 hearing with respect to the Court's consideration of the Motion as a result of the Minority FRN Holders, the Debtors, and the Subordinated Noteholder Group (as defined in the Minority FRN Objection) having settled the Minority FRN Objection by reaching agreement on terms regarding the Exchange ^{offer} ~~Transaction~~ (as defined in the FRN Objection) as set forth in that certain Sixth Agreement ~~Amendment~~ to Amend the Floating Rate Support Agreement (the "Sixth Amendment") and the Fee Undertaking (as defined in the Sixth Amendment, the "FRN Settlement"), all parties' rights to seek relief ^{in the appropriate forum,} in the event the FRN Settlement is not executed by the parties thereto or the FRN Settlement fails to be consummated or fully performed shall be and is hereby reserved in all respects.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	
	)	
ARCADIA GROUP (USA) LIMITED (in Administration), ¹	)	Chapter 15
	)	
Debtor in a Foreign Proceeding.	)	Case No. 19-11650 (JLG)
	)	Related ECF Nos.: 4 & 5

ORDER GRANTING PROVISIONAL RELIEF

Upon consideration of (i) the *Emergency Motion of the Foreign Representatives for Provisional Relief* [ECF No. 4] (the “**Emergency Motion**”) filed by Daniel Francis Butters and Ian Colin Wormleighton, in their capacity as the duly authorized joint foreign representatives (in such capacity, jointly, the “**Foreign Representatives**”) of Arcadia Group (USA) Limited (in Administration) (the “**Foreign Debtor**” or the “**Company**”) as a debtor in administration under English law, pursuant to the Insolvency Act 1986 (the “**UK Proceeding**”), sealed and endorsed by the High Court of Justice, the Business and Property Courts of England and Wales, Insolvency and Companies List (the “**English Court**”), (ii) the *Memorandum of Law in Support of the Emergency Motion of the Foreign Representative for Provisional Relief* [ECF No. 5], (iii) the Official Form 401 Petition [ECF No. 1] (the “**Petition**”) and *Verified Petition of the Foreign Representatives for Recognition of Foreign Main Proceeding and Certain Related Relief* [ECF No. 2] (together with the Petition, the “**Chapter 15 Petition**”), (iv) all documents submitted in support of the Chapter 15 Petition and (v) the *Declaration of Charles Richard Obank in Support of Verified Petition for Recognition*

¹ The Foreign Debtor is incorporated and registered in England and Wales with Company Number 06404527. The Foreign Debtor’s mailing address (and its registered office) is Colegrave House, 70 Berners Street, London, W1T 3NL, United Kingdom.

of Foreign Main Proceeding and Certain Related Relief [ECF No. 3] all filed on May 22, 2019 (the “**Petition Date**”), the Court finds and concludes as follows:

a. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* of the United States District Court for the Southern District of New York, dated January 31, 2012.

b. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).

c. Venue is proper in this district under 28 U.S.C. § 1410.

d. This chapter 15 case has been commenced by the appointed foreign representatives.

e. This Court has the authority to grant the provisional relief requested by the Emergency Motion (the “**Provisional Relief**”) under 11 U.S.C. §§ 105(a), 306, 362, 1510, 1519, 1521, and 1522.

f. The Provisional Relief is urgently needed to (i) protect the assets of the Foreign Debtor and the interests of its creditors, employees and other parties in interest, as permitted by 11 U.S.C. § 1519(a), and (ii) avoid disparity among creditors in the United States, as provided in 11 U.S.C. § 1501(a).

g. The interests of the Foreign Debtor’s creditors and other parties in interest, including the Foreign Debtor, are sufficiently protected in the Court’s grant of the Provisional Relief, as required by 11 U.S.C. § 1522(a).

h. The Provisional Relief is warranted under 11 U.S.C. § 1519(e).

j. The Foreign Representative has demonstrated a substantial likelihood of success on the merits that (i) the UK Proceeding is entitled to recognition as a “foreign main proceeding” as that term is defined in section 1502(4) of the Bankruptcy Code, (ii) the Foreign Representatives are “foreign representative[s]” as that term is defined in section 101(24) of the Bankruptcy Code,

(iii) all statutory elements for recognition of the UK Proceeding are satisfied in accordance with section 1517 of the Bankruptcy Code, and (iv) the Provisional Relief will be granted on a final basis upon such recognition as a foreign main proceeding.

k. Immediate irreparable harm will result to the Foreign Debtor, its creditors, employees and other parties in interest if the Provisional Relief is not granted on an expedited basis. Pending the chapter 15 recognition hearing, the Provisional Relief is required to (i) ensure the fair, efficient, centralized and consistent administration of the Foreign Debtor's assets, (ii) prevent individual creditors and other persons and entities from depleting or impairing the assets of the Foreign Debtor to the detriment of its creditor-body as a whole and (iii) prevent the landlords from taking actions to repossess the leases.

l. Granting the Provisional Relief will serve the public interest in that, among other things, the Provisional Relief will assist with the fair and efficient adjudication of the Foreign Representatives' request for recognition under chapter 15 in this case under 11 U.S.C. §1501(a).

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The findings and conclusions set forth in this Order constitute the Court's findings of fact and conclusions of law under Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), made applicable to this proceeding under Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such; to the extent any of the following conclusions of law constitute findings of facts, they are adopted as such.

2. The Provisional Relief is **GRANTED, to the extent set forth herein [JLG]**, effective immediately on an interim basis and until such time the Court conducts the final

hearing on the Foreign Representatives' request for the recognition of the UK Proceeding as a foreign main proceeding and enters the final order with respect to such request (the **"Interim Period"**)

3. During the Interim Period, under sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, sections 362 and 365(e) of the Bankruptcy Code will apply in this chapter 15 case to the Foreign Debtor and its property within the territorial jurisdiction of the United States.

4. Accordingly, during the Interim Period, no person or entity may: (a) commence or continue any legal proceeding (including, without limitation, any judicial, quasi-judicial, administrative or regulatory proceeding, or arbitration) or action against the Foreign Debtor, its assets located in the United States, or the proceeds thereof; (b) enforce any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order, or arbitration award against the Foreign Debtor; (c) commence or continue any legal proceeding or action to create, perfect, or enforce any lien, setoff, or other claim against the Foreign Debtor or against any of its assets located in the United States or the proceeds thereof; or (d) exercise any control over the Foreign Debtor's assets located in the United States except as authorized by the Foreign Debtor in writing. Due to the nature of the relief requested in the Emergency Motion, no security is required under Rule 65(c) of the Federal Rules of Civil Procedure, as made applicable in this chapter 15 case by Bankruptcy Rule 7065, if applicable, or otherwise.

5. During the Interim Period, the Foreign Representative is entrusted with the administration and realization of all of the Foreign Debtor's assets located in the United States

and is established as the exclusive authority to administer the Foreign Debtor's assets and affairs in the United States.

6. During the Interim Period, each of the Foreign Representatives, jointly and severally, is vested with the rights, powers, protections, privileges and immunities of a trustee in a bankruptcy in the United States available under section 1519(a) of the Bankruptcy Code. No action taken during the Interim Period by any of the Foreign Representatives, jointly or severally, or his agents, representatives, advisors or counsel, in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with this chapter 15 case or this Order shall be deemed to constitute a waiver of any immunity afforded such person under sections 306 or 1510 of the Bankruptcy Code.

7. During the Interim Period, the right and power to transfer, encumber, or otherwise dispose of any assets of the Foreign Debtor is prohibited, except by the Foreign Debtor or with the Foreign Debtor's written consent.

8. Nothing in this Order shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent set forth in sections 362(b) and 1521(d) of the Bankruptcy Code.

9. Any party that is subject to this Order shall have the right to seek relief, on an expedited basis, from this Order. At any such hearing, the Foreign Representatives shall have the burden of proof.

10. Within forty-eight (48) hours of the entry of this Order, a true and correct copy of this Order shall be served via first class United States or foreign mail (and via hand delivery if such party or its counsel is located in New York, Wilmington or Chicago) upon (i) counsel to the Foreign Debtor, (ii) the Office of the United States Trustee for the Southern

District of New York, (iii) all parties to any litigation in which the Foreign Debtor is a party and that is pending in the United States as of the Petition Date, (iv) each of the counterparties and landlords to Foreign Debtor's non-residential real property leases, (v) all parties against which Provisional Relief is sought, and (vi) such other parties as this Court may direct. The above-described service of the Order shall constitute due, adequate and sufficient service and notice, and no other or further service or notice shall be required.

11. Notwithstanding any applicable Bankruptcy Rule, the terms and condition of this Order shall be immediately effective and enforceable upon its entry.

12. Each of the Foreign Representatives, jointly and severally, is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Emergency Motion.

13. This Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the Emergency Motion or the implementation of this Order.

Dated: May 22, 2019
New York, New York

/s/ James L. Garrity, Jr.
Honorable James L. Garrity, Jr.
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

IMPERIAL TOBACCO CANADA
LIMITED,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-10771(SCC)

ORDER GRANTING PRELIMINARY INJUNCTION

FTI Consulting Canada Inc. (“FTI,” or the “Monitor”) is the Court-appointed monitor for Imperial Tobacco Canada Limited (“ITCAN” or the “Debtor”) in a proceeding under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Ontario Superior Court of Justice (Commercial List) at Toronto (the “Canadian Proceeding”). The Monitor is authorized to serve as the foreign representative of the Debtor as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”).

On March 13, 2019, the Monitor commenced this Chapter 15 case (the “Chapter 15 Case”) by filing, on behalf of the Debtor and pursuant to sections 1504 and 1515 of the Bankruptcy Code, the Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief (the “Verified Petition”) along with the Official Form 401 (*Chapter 15 Petition for Recognition of a Foreign Proceeding*); the Application for an Order (I) Scheduling Recognition Hearing, (II) Specifying Deadline for Filing Objections and (III) Specifying Form and Manner of Notice (the “Notice Application”); and an Ex Parte Application for Temporary Restraining Order and Relief Pursuant to Sections 1519 and 105(a) of the Bankruptcy Code (the “Application for Provisional Relief” and, collectively with the Verified Petition and Notice Application, the “First Day Motions”).

The Monitor has also filed a memorandum of law (the “Memorandum of Law”) and a Declaration of the Monitor (the “Bishop Declaration”) in support of the First Day Motions.

By its Application for Provisional Relief, the Monitor requested entry, on an *ex parte* basis, of an order to show cause with temporary restraining order staying execution against the assets, business operations and supply chain, inventory management and distribution processes of the Debtor and applying section 362 of the Bankruptcy Code in this Chapter 15 case on a provisional basis pending either the adjudication of the Monitor’s request for recognition of the Canadian Proceeding or a hearing on the Monitor’s request for a preliminary injunction, and granting such other relief as the Court sees just and proper.

The Court has considered and reviewed the Application for Provisional Relief, the Verified Petition, the Bishop Declaration and all related documents filed contemporaneously therewith. Based on the foregoing, **THE COURT FINDS AND CONCLUDES AS FOLLOWS:**

- a) The Monitor has demonstrated a substantial likelihood of success on the merits that the Debtor is the subject of a pending foreign main proceeding and the Monitor is the foreign representative of the Debtor;
- b) The Monitor has demonstrated that, without a stay of execution against the Debtor’s assets, business operations and processes, and the protections of section 362 of the Bankruptcy Code, there is a material risk that the Debtor will suffer irreparable harm to the value of its business, assets, and property as a result of potential enforcement and collection efforts of claimants pending the disposition of the Verified Petition;
- c) No injury will result to any party that is greater than the harm to the Debtor in the absence of the requested relief;

d) The interests of the public will be served by this Court's granting the relief requested by the Monitor;

e) Due to the nature of the relief requested, no security is required under Rule 65(c) of the Federal Rules of Civil Procedure to the extent applicable in these cases by Rule 7065 of the Federal Rules of Bankruptcy Procedure;

f) This Court has jurisdiction over this matter pursuant to 28 U.S.C § 1334;

g) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and

h) Venue is proper in this District pursuant to 28 U.S.C. § 1410.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Monitor's application is **GRANTED**.
2. Until such a time as an order adjudicating the Monitor's request for recognition of the Canadian Proceeding is entered, or as otherwise ordered by this Court:
 - i. the Monitor is established as the "foreign representative" of the Debtor as defined in section 101(24) of the Bankruptcy Code;
 - ii. Pursuant to sections 1519(a)(1) and 105(a) of the Bankruptcy Code, all persons and entities are enjoined from seizing, attaching, possessing, executing, and/or enforcing liens against the assets, businesses operations or processes of the Debtor; and
 - iii. Pursuant to sections 1519(a)(3) and 105(a) of the Bankruptcy Code, the automatic stay pursuant to section 362 of the Bankruptcy Code is applicable in this Chapter 15 case within the territorial jurisdiction of the United States; *provided, however*, that the automatic stall shall not enjoin a police or

regulatory act of a governmental unit to the extent provided in Section 362(b)(4) of the Bankruptcy Code.

3. Notice of this Order shall be served within two business days of its entry by United States mail first-class postage prepaid, by electronic mail or by fax on all parties against whom relief is sought, or their counsel, if applicable, including such parties as set forth in the List Pursuant to Bankruptcy Rule 1007(a)(4) previously filed by the Debtor.

4. Service in accordance with this Order shall constitute adequate and sufficient service and notice.

5. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: March 25, 2019
New York, New York

/S/ Shelley C. Chapman
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

IMPERIAL TOBACCO CANADA
LIMITED,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 19-10771 (SCC)

**ORDER RECOGNIZING FOREIGN MAIN
PROCEEDING AND GRANTING RELATED RELIEF**

This matter was brought by FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor¹ (the “Monitor”) and duly authorized foreign representative for Imperial Tobacco Canada Limited (the “Debtor”), upon its filing, on behalf of the Debtor, of the *Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding* (the “Verified Petition”)² pursuant to sections 1504 and 1515 of title 11 of the United States Code (the “Bankruptcy Code”), commencing the above-captioned Chapter 15 case (the “Chapter 15 Case”).

The Court has reviewed the Verified Petition along with the other papers, pleadings and exhibits submitted by the Monitor in support of the Verified Petition (collectively, the “Supporting Papers,”) including, among other things, (a) the Declaration of Paul Bishop in Support of (I) Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief, (II) Application for an Order Scheduling Recognition Hearing, Specifying Deadline for Filing Objections and Specifying Form and Manner of Notice (the “Notice Application”) and, (III) *Ex*

¹ FTI was appointed as Monitor pursuant to Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, by order dated March 12, 2019.

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Verified Petition and the *Monitor’s Omnibus Reply In Support of Verified Chapter 15 Petition for Recognition of Foreign Main Proceeding and Related Relief*, as applicable.

Parte Application for Temporary Restraining Order and Relief Pursuant to Sections 1519 and 105(a) of the Bankruptcy Code (the “Bishop Declaration”) and (b) the Memorandum of Law in support of the Verified Petition. The Court has also reviewed the various letters filed on the docket of this case in response to the Verified Petition.

For good cause shown, including the record created at the April 15, 2019 Recognition Hearing, the Court finds and concludes as follows:

- A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- C. Venue is proper before this Court pursuant to 28 U.S.C. § 1410.
- D. Good, sufficient, appropriate and timely notice of the filing of the Verified Petition and the hearing on the Verified Petition has been given pursuant to Local Rules 2002-4 and 9078-1 and Rule 2002(q)(1) of the Federal Rules of Bankruptcy Procedure.
- E. The Chapter 15 Case was properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- F. Pursuant to section 1517(a)(2) of the Bankruptcy Code, the Monitor is a “person” within the meaning of section 101(41) of the Bankruptcy Code, and the Monitor is the duly appointed foreign representative of the Debtor within the meaning of section 101(24) of the Bankruptcy Code.
- G. The Canadian Proceeding currently pending before the Canadian Court is a “foreign proceeding” within the meaning of section 101(23) of the Bankruptcy Code.
- H. The Canadian Proceeding is pending in Canada, where the Debtor’s “center of main interests,” as that term is used in section 1517(b)(1) of the Bankruptcy Code, is located, and, accordingly, the Canadian Proceeding is a “foreign main proceeding” pursuant to section 1502(4)

of the Bankruptcy Code and is entitled to recognition pursuant to sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.

I. The Debtor is entitled to all of the relief provided under sections 1520 and 1521(a)(1) and (2) of the Bankruptcy Code, without limitation, because those protections are necessary to effectuate the purposes of Chapter 15 of the Bankruptcy Code and to protect the assets of the Debtor and the interests of the Debtor's creditors and stakeholders.

Therefore, it is hereby ordered that:

1. The Verified Petition is **GRANTED**.
2. The Verified Petition meets the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(4).
3. The Canadian Proceeding is recognized as a "foreign main proceeding" (as defined in section 1502(a)(4) of the Bankruptcy Code) pursuant to sections 1517(a) and 1517(b)(1) of the Bankruptcy Code.
4. The Monitor is recognized, on a final basis, as the "foreign representative" as defined in section 101(24) of the Bankruptcy Code.
5. Other than as expressly set forth herein, the Debtor is entitled to all of the relief provided under sections 1520 and 1521 of the Bankruptcy Code, without limitation.
6. Pursuant to sections 1520 and 1521 of the Bankruptcy Code, and, as necessary, sections 105(a) and 1507 of the Bankruptcy Code, the Canadian Order for Relief is hereby given full force and effect in the United States.
7. The Debtor is authorized to maintain its U.S. assets, business operations, supply chain, inventory management and distribution processes in the ordinary course of the Debtor's business, pursuant to section 1520(a) of the Bankruptcy Code. For the avoidance of doubt, the

Debtor is continuing to operate its business and is not requesting that the Monitor be provided with the rights set forth under section 1521(a)(5) at this time and, accordingly, relief is not being granted under section 1521(a)(5) to the Debtor under this Order.

8. The relief granted hereby is necessary and appropriate, in the interests of the public and of international comity, not inconsistent with any public policy of the United States, and warranted pursuant to sections 1507(a), 1509(b)(2)-(3), 1520, 1521(a), and 1522 of the Bankruptcy Code.

9. Pursuant to section 1521(a)(6), any additional relief granted under section 1519(a) is hereby extended.

10. Any action to interfere with the Debtor's assets, business, operations, or its supply chain, inventory management or distribution processes are hereby barred, enjoined, and stayed, pursuant to sections 362, 1520(a), and 1521(a)(1) and (2) of the Bankruptcy Code.

11. Nothing contained herein shall be deemed or construed to impair or otherwise adversely affect any rights of any group representative of the beneficiaries of the Top-Hat Plans appointed by the Canadian Court, if any, or any individual participant of the Top-Hat Plans from pursuing any rights, claims and remedies, collectively or individually, in the Canadian Proceeding or the Debtor's or Monitor's rights, claims, defenses and remedies in connection therewith.

12. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief, any adversary proceeding in and through this Chapter 15 Case, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced within the jurisdiction of this Court.

13. The Monitor shall provide service and notice of this Order by first class mail, postage prepaid, upon the Chapter 15 Notice Parties as defined in the Notice Application.

Dated: April 17, 2019
New York, New York

/s/Shelley C. Chapman
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
In re: : Chapter 15
: :
Kraus Carpet Inc., et al.,¹ : Case No. 18-12057 (KG)
: :
Debtors in a Foreign Proceeding. : Jointly Administered
: :
: RE: D.I. 5 and 17, 4/
-----X

FINAL ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDING
AND CERTAIN RELATED RELIEF

Upon the motion (the "Motion")² of Kraus Carpet Inc. (the "Foreign Representative"), in its capacity as the authorized foreign representative of the above captioned debtors (the "Debtors") in a Canadian proceeding (the "CCAA Proceeding") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 (as amended, the "CCAA") pending before the Ontario Superior Court of Justice (the "Canadian Court"), pursuant to sections 105(a) 362, 365(e), 1517, 1519, 1520, and 1521 of title 11 of the United States Code (the "Bankruptcy Code") for (i) entry of a provisional order ("Provisional Order"), recognizing the CCAA Proceeding as a foreign main proceeding and granting a stay of execution against the Debtors' assets and applying section 362 and 365(e) of the Bankruptcy Code on an interim basis under section 1519 of the Bankruptcy Code and (ii) entry of a final order recognizing the CCAA Proceeding as a foreign main proceeding and granting related relief; and the Court having jurisdiction to consider the

¹ The Debtors in these chapter 15 cases and the last four digits of each Debtor's U.S. tax identification number or Canadian Business Number, as applicable, are as follows: Kraus USA Inc. (USA) (1024); Strudex Inc. (0906); Kraus Carpet Inc. (8687); Kraus Properties Inc. (1102); Kraus Canada Ltd. (1300); and Kraus Brands Inc. (8885). The Debtors' mailing address for purposes of these chapter 15 cases is 65 Northfield Drive West, Waterloo, Ontario, Canada.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Motion and the relief requested therein in accordance with sections 157 and 1334 of title 28 of the United States Code, sections 109 and 1501 of the Bankruptcy Code, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated as of February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to section 157(b) of title 28 of the United States Code; and due and proper notice of the relief sought in the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having entered the Provisional Order [Docket No. 17] on September 12, 2018; and a hearing having been held to consider the relief requested in the Motion (the "Hearing") on a final basis; and the appearances of all interested parties having been noted in the record of the Hearing; and upon the *Declaration of Christopher Emmott in Support of (A) Motion of Foreign Representative for Entry of Provisional and Final Orders Granting Recognition of Foreign Main Proceeding, and (B) Other First Day Relief* (the "Emmott Declaration"), and the verified Chapter 15 petitions, filed contemporaneously with the Motion, the record of the Hearing, and all of the proceedings had before the Court; and the Court having found and determined that the provisional relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation thereon and sufficient cause appearing therefor

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact

constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated as of February 29, 2012.

C. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

D. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

E. On September 11, 2018, these chapter 15 cases were commenced by the Foreign Representative's filing of a verified voluntary Chapter 15 Petition for Recognition of a Foreign Proceeding ("Verified Petition") for each Debtor. Attached to the Verified Petition was an order (the "CCAA Order") of the Canadian Court in the CCAA Proceeding appointing the Foreign Representative and granting additional relief.

F. The CCAA Proceeding is a "foreign proceeding" pursuant to section 101(23) of the Bankruptcy Code.

G. The Foreign Representative is the duly appointed "foreign representative" of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.

H. These Chapter 15 cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

I. The Foreign Representative has satisfied the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 2002(q).

J. The CCAA Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

K. Canada is the center of main interests of each of the Debtors, and accordingly, the CCAA Proceeding is a “foreign main proceeding” as defined in section 1502(4) of the Bankruptcy Code, and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

L. The Foreign Representative is entitled to all the relief available pursuant to section 1520 of the Bankruptcy Code including, without limitation, application of the automatic stay pursuant to section 362 of the Bankruptcy Code.

M. The Foreign Representative is further entitled to application of section 365(e) of the Bankruptcy Code pursuant to section 1521 of the Bankruptcy Code.

N. The Foreign Representative has demonstrated that application of section 365(e) of the Bankruptcy Code, as made applicable by sections 1521(a)(7) and 105(a) of the Bankruptcy Code, is necessary to provide the Debtors with the ability to assume or reject a contract or compel a contract counterparty to perform under a contract and that, absent protections pursuant to section 365(e), there is a material risk that one or more of their contract counterparties may terminate agreements or discontinue performance on the incorrect assumption that such non-Debtor counterparty is not bound by any decision made in the CCAA Proceeding and any such termination or discontinuance of performance could impose severe economic consequences on the Debtors and will interfere with efforts to realize maximum value from the Debtors’ assets.

O. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to sections 1517, 1520, and 1521 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Verified Petitions and the Motion are granted as set forth herein.
2. The CCAA Proceeding is granted recognition as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code.
3. The CCAA Order is hereby enforced on a final basis and given full force and effect in the United States, including, without limitation, the stay of proceedings to the extent set forth in the CCAA Order.
4. All relief afforded to foreign main proceedings pursuant to section 1520 of the Bankruptcy Code is hereby granted to the CCAA Proceeding, the Debtors, and the Foreign Representative as applicable.
5. Sections 362 and 365(e) of the Bankruptcy Code shall hereby apply with respect to the Debtors and the property of Debtors that is within the territorial jurisdiction of the United States.
6. All entities (as that term is defined in section 101(15) of the Bankruptcy Code), other than the Foreign Representative and its authorized representatives and/or agents are hereby enjoined from:
 - a) execution against any of the Debtors' assets;
 - b) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, arbitral, or other action or proceeding, or to recover a claim, including without limitation any and all unpaid judgments, settlements, or otherwise against the Debtors in the United States;
 - c) taking or continuing any act to create, perfect, or enforce a lien or other security interest, set-off, or other claim against the Debtors or any of its property;
 - d) transferring, relinquishing, or disposing of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;

- e) commencing or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities; and
- f) terminating contracts or otherwise accelerating obligations or exercising remedies thereunder provided.

7. Subject to sections 1520 and 1521 of the Bankruptcy Code, the CCAA Proceeding, and the CCAA Order, and the transactions consummated or to be consummated thereunder, shall be granted comity and given full force and effect in the U.S. to the same extent as in Canada, and each is binding on all creditors of the Debtors and any of their successors and assigns.

8. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all prior relief granted to the Debtors or the Foreign Representative by this Court pursuant to section 1519(a) of the Bankruptcy Code shall be extended and the Provisional Order shall remain in full force and effect, notwithstanding anything to the contrary contained therein.

9. Notwithstanding any applicable Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

11. The Foreign Representative, the Debtors, and/or each of their successors, representatives, advisors, or counsel shall be entitled to the protections contained in sections 306 and 1510 of the Bankruptcy Code.

13. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief, any adversary proceeding brought in and through these chapter 15 bankruptcy cases, and any request by an entity for relief from the provisions of this Order that is properly commenced and within the jurisdiction of this Court.

Dated: October 1, 2018
Wilmington, Delaware

Kevin Gross
Honorable Kevin Gross
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	Chapter 15
Metcalf & Mansfield Alternative Investments et al.,	Case No. 09-16709 (MG)
<u>Debtors in Foreign Proceedings.</u>	Jointly Administered

**ORDER GRANTING RECOGNITION, ENFORCEMENT
OF CANADIAN ORDERS AND RELATED RELIEF**

This matter was brought before the Court by Ernst & Young Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of Metcalfe & Mansfield Alternative Investments II Corp., ("**Metcalfe II**"), Metcalfe & Mansfield Alternative Investments III Corp. ("**Metcalfe III**"), Metcalfe & Mansfield Alternative Investments V Corp. ("**Metcalfe V**"), Metcalfe & Mansfield Alternative Investments XI Corp. ("**Metcalfe XI**"), Metcalfe & Mansfield Alternative Investments XII Corp. ("**Metcalfe XII**"), 6932819 Canada Inc. ("**6932819**") and 4446372 Canada Inc., ("**4446372**") and together with Metcalfe II, Metcalfe III, Metcalfe V, Metcalfe XI, Metcalfe XII, and 6932819, the "**Issuer Trustees**"), which are the trustees of the third-party (non-bank sponsored) conduit trusts, and the debtors in proceedings (the "**Canadian Proceedings**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pending before the Ontario Superior Court of Justice (Commercial List) (the "**Ontario Court**").

This Court has reviewed the Verified Petitions For Recognition of Foreign Proceedings which were filed on November 10, 2009 for each Issuer Trustee (collectively, the "**Chapter 15 Petitions**") commencing the above-captioned chapter 15 cases (collectively, the

"**Chapter 15 Cases**") pursuant to sections 1504, 1515 and 1517 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), and seeking enforcement pursuant to sections 1507, 1521(a) and 105(a) of the Bankruptcy Code of the Amended Sanction Order and the Plan Implementation Order of the Ontario Court (together, the "**Canadian Orders**") and attached as Exhibits 1 and 2, respectively to the Amended Proposed Order (Document Number 25) in the Lead Case.

Due and timely notice of the filing of the Chapter 15 Petitions was given in accordance with this Court's order dated November 23, 2009, approving the form of notice and manner of service thereof, which notice is deemed adequate for all purposes such that no other or further notice thereof need be given. No objections to the Chapter 15 Petitions or any of the relief sought thereby have been filed with the Court.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

- (A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.
- (B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- (C) Venue is proper in this District pursuant to 28 U.S.C. §§ 1410(3).
- (D) The Monitor is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each Issuer Trustee within the meaning of section 101(24) of the Bankruptcy Code.
- (E) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- (F) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.
- (G) The Canadian Proceedings are foreign proceedings within the meaning of section 101(23) of the Bankruptcy Code.

(H) The Canadian Proceedings are entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

(I) The Canadian Proceedings are pending in Canada, which is the location of each Issuer Trustee's center of main interests, and as such, constitute foreign main proceedings pursuant to section 1502(4) of the Bankruptcy Code and are entitled to recognition as foreign main proceedings pursuant to section 1517(b)(1) of the Bankruptcy Code.

(J) The Monitor is entitled to all the relief provided by section 1520 of the Bankruptcy Code without limitation.

(K) The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(L) The interest of the public will be served by this Court granting the relief requested by the Monitor.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to section 1517 of the Bankruptcy Code.

2. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, the stay under section 362 of the Bankruptcy Code throughout the duration of these Chapter 15 Cases or until otherwise ordered by this Court.

3. The Canadian Orders are hereby given full force and effect in the United States and are binding on all persons subject to this court's jurisdiction pursuant to sections 1521(a)(7), 1507 and 105(a) of the Bankruptcy Code.

4. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief

from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

5. Notice of entry of this order shall be served in accordance with this Court's prior order directing the manner of service and notice. Such service in accordance with this Order shall constitute adequate and sufficient service and notice of this Order.

6. The Chapter 15 Petitions and copies of the Canadian Orders shall be made available upon request at the offices of Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020 to the attention of Amélie Baudot, (212) 610-6300, amelie.baudot@allenoverly.com.

7. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: New York, New York
January 5, 2009

/s/Martin Glenn
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

[Amended Sanction Order]

Court File No. 08-C1-7440

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

WEDNESDAY, THE 18TH

)

MR. JUSTICE CAMPBELL

)

DAY OF JUNE, 2008



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

AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS II CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS
III CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

BETWEEN:

THE INVESTORS REPRESENTED ON
THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY STRUCTURED
ASSET-BACKED COMMERCIAL PAPER LISTED IN SCHEDULE "B" HERETO

Applicants

- and -

METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

Respondents

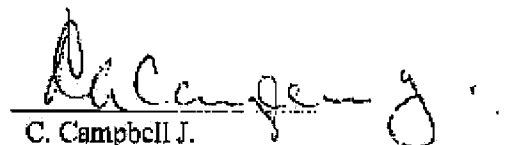
ORDER

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THIS MOTION made by the investors represented on the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper listed in Schedule "B" hereto (collectively, the "Applicants"), for an Order pursuant to Rule 59.06(1) to correct the recitals to the Sanction Order dated June 5, 2008 in this matter (the "Sanction Order") was heard this day at 330 University Avenue, Toronto, Ontario.

ON HEARING the Applicants' counsel's advice that the recitals to the Sanction Order contain a reference to an Affidavit that was not delivered for the motion under the Rules, that no one on the Service List objected to a proposal that this Order be sought although informed by email on June 16, 2008, and on hearing the consent to the relief sought of Ernst & Young Inc. in its capacity as Monitor,

1. **THIS COURT ORDERS** that this Motion is properly returnable today and hereby dispenses with service of a Notice of Motion or any Motion Record.
2. **THIS COURT ORDERS** that the Sanction Order be and is hereby amended to delete from the recitals paragraph that commences "ON READING" on page 2 of the Sanction Order the reference to the "Affidavit of James Mayor sworn May 5, 2008".
3. **THIS COURT ORDERS** that the Applicants be at liberty to take out an "Amended Sanction Order" reflecting the change referred to in paragraph 2 above and the Registrar shall sign and enter such an Order.


C. Campbell J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 18 2008

PER/PAR: 

SCHEDULE "A"

Conduit Trusts

Apollo Trust
Apsley Trust
Aria Trust
Aurora Trust
Comet Trust
Eacore Trust
Gemini Trust
Ironstone Trust
MMAT-I Trust
Newshore Canadian Trust
Opus Trust
Planet Trust
Rocket Trust
Selkirk Funding Trust
Silverstone Trust
Slate Trust
Structured Asset Trust
Structured Investment Trust III
Symphony Trust
Whitehall Trust

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SCHEDULE "B"

Applicants

ATB Financial
Caisse de Dépôt et Placement du Québec
Canaccord Capital Corporation
Canada Mortgage and Housing Corporation
Canada Post Corporation
Credit Union Central Alberta Limited
Credit Union Central of British Columbia
Credit Union Central of Canada
Credit Union Central of Ontario
Credit Union Central of Saskatchewan
Desjardins Group
Magna International Inc.
National Bank Financial Inc./National Bank Of Canada
NAV Canada
Northwater Capital Management Inc.
Public Sector Pension Investment Board
The Governors of the University of Alberta

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

Court File No.: 08-CL-7440

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT INVOLVING
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP., ET AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

GOODMANS LLP

Barristers & Solicitors

250 Yonge Street, Suite 2400

Toronto, Canada M5B 2M6

Benjamin Zarnett JSUC#: 17247M

Fred Myers LSUC#: 26301A

Brian F. Empey LSUC#: 30640G

Tel: 416.979.2211

Fax: 416.979.1234

Counsel for the Applicants

Court File No. 08-CL-7440

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 5TH
)
MR. JUSTICE CAMPBELL) DAY OF JUNE, 2008



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

AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS II CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS
III CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

BETWEEN:

THE INVESTORS REPRESENTED ON
THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY STRUCTURED
ASSET-BACKED COMMERCIAL PAPER LISTED IN SCHEDULE "B" HERETO

Applicants

- and -

METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

Respondents

AMENDED SANCTION ORDER

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THIS MOTION made by the investors represented on the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper (the "Committee") listed in Schedule "B" hereto (each, an "Applicant", collectively, the "Applicants"), for an Order pursuant to section 6 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") sanctioning the Applicants' Amended Plan of Compromise and Arrangement dated March 19, 2008 as it may be amended from time-to-time in accordance with its terms (the "Plan") and for ancillary relief associated with the implementation of the Plan, was heard May 12, May 13 and June 3, 2008 at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Purdy Crawford sworn March 17, 2008, Affidavit of James Mavor sworn April 17, 2008, Affidavit of Dennis M. Byrd sworn April 18, 2008, Affidavit of Jay Hoffman sworn April 18, 2008, Affidavit of Colin Kilgour sworn April 15, 2008, Affidavit of Colin Kilgour sworn May 1, 2008, Affidavit of Colin Kilgour sworn May 5, 2008, Affidavit of François Laurin sworn April 15, 2008, Affidavit of Philippe Rainville sworn April 15, 2008, Affidavit of Lyne Gilbert sworn April 15, 2008, Affidavit of Nicholas Dyson Corlett Willis sworn April 15, 2008, Affidavit of Mario Busque sworn April 18, 2008, Affidavit of Andre Belzile sworn April 15, 2008, Affidavit of Daniel Arguin sworn April 15, 2008, Affidavit of Jean-Luc Van Eyck sworn April 16, 2008, Affidavit of Sylvain Guennette sworn April 16, 2008, Affidavit of Murielle Allard sworn April 21, 2008, Affidavit of Louis Champagne sworn April 22, 2008, Affidavit of John Pitcher sworn May 8, 2008, Affidavit of Richard Flynn sworn May 9, 2008, Affidavit of Scott Bridge sworn April 16, 2008, Affidavit of Allen Breeding sworn April 17, 2008, Affidavit of Heather Avriith sworn April 16, 2008, Affidavit of Heather Avriith sworn May 9, 2008, Affidavit of Heather Avriith sworn May 28, 2008, Affidavit of Paul Rose sworn May 5, 2008, Affidavit of Michael Bardell sworn April 16, 2008, Affidavit of Michael Bardell sworn June 2, 2008, Affidavit of Michael Bardell sworn May 2, 2008, Affidavit of Deanna Walters sworn May 5, 2008, Affidavit of Hy Bloom sworn April 14, 2008, Affidavit of Tony Giardini sworn April 18, 2008, Affidavit of Tony Giardini sworn April 29, 2008, Affidavit of Scott Edmonds sworn April 17, 2008, Affidavit of Eliezer Karp sworn April 11, 2008, Affidavit of Henry Juroviesky sworn April 13, 2008, Affidavit of Joanne O'Neill sworn May 1, 2008, Affidavit of Douglas Wynn sworn May 8, 2008 and all Exhibits to said Affidavits, and the First Report of Ernst & Young

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Inc. in its capacity as Monitor (the "Monitor") dated March 17, 2008, Second Report of the Monitor dated April 11, 2008, Supplement to the Second Report of the Monitor dated April 15, 2008, Third Report of the Monitor dated April 18, 2008, Fourth Report of the Monitor dated April 24, 2008, Fifth Report of the Monitor dated April 28, 2008, Sixth Report of the Monitor dated May 1, 2008, Seventh Report of the Monitor dated May 6, 2008, Eighth Report of the Monitor dated May 28, 2008, Ninth Report of the Monitor dated June 2, 2008 and all Appendices to said Reports, and on hearing the submissions of counsel for the Applicants, the Respondents Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp. and Metcalfe & Mansfield Alternative Investments XII Corp., the Respondent 4446372 Canada Inc., the Respondent 6932819 Canada Inc., the Monitor, the Asset Providers, the Ad Hoc Committee and PricewaterhouseCoopers Inc., in its capacity as Financial Advisor to the Ad Hoc Committee, the Ad Hoc Retail Creditors Committee, 131519 Canada Inc., Aéroports de Montréal Capital Inc., Aéroports de Montréal Inc., Agence Métropolitaine de Transport (AMT), Air Transat A.T. Inc., Alliance Pipeline Ltd., Bank of Montreal, Bank of Nova Scotia, Beemar Investments Ltd., BlackRock Financial Management, Inc., Brookfield Asset Management and Partners Ltd., Caisse de Dépôt et Placement du Québec, Canadian Imperial Bank of Commerce, CIBC Mellon Trust Company, Computershare Trust Company of Canada and BNY Trust Company of Canada, as Indenture Trustees, Cardacian Mortgage Services, Inc., Cinar Corporation, Computershare Trust Company of Canada as Original Issuer Trustee, Coventree Capital Inc., Dadrex Holdings Inc., DBRS Limited, Desjardins Group, Encore Trust, Giro Inc., The Goldfarb Corporation, Hy Bloom Inc., The Investment Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada, Ivanhoe Mines Inc., Jazz Air I.P., The Jean Coutu Group (PJC) Inc., JTI-Macdonald Corp., Jura Energy Corporation, Labopharm Inc., Metcalfe & Mansfield Capital Corporation, National Bank Financial Inc., National Bank of Canada, New Gold Inc., Newshore Financial Services Inc., Nereus Financial Inc., Nexstar Energy Ltd., Northern Orion Canada Pampas Ltd., Petrolifera Petroleum Ltd., Pomerleau Inc., Pomerleau Ontario Inc., Power Play Resources Limited, Quanto Financial Corporation, Redcorp Ventures Ltd., Royal Bank of Canada, Sabre Energy Ltd., Sabre Tooth Energy Ltd., Securitus Capital Corp., Standard Energy Inc., Tecsyst Inc., The Toronto-Dominion Bank, Transat Tours Canada Inc., UTS Energy

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Corporation, Vaquero Resources Ltd., Vêtements de sports RGR Inc., WebTech Wireless Inc., West Energy Ltd., Wynn Capital Corp. Inc. no one else appearing although notice of this motion was duly given pursuant to the Meeting Order of this Court dated March 17, 2008 (the "Meeting Order") and service was effected as appears from the Affidavits of Service of Darlene Moffett sworn May 7, 2008 and May 28, 2008, filed:

SERVICE

1. **THIS COURT ORDERS** that in accordance with the Meeting Order this Motion is properly returnable and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to such terms in the Plan.

SERVICE AND MEETING OF CREDITORS

3. **THIS COURT ORDERS AND DECLARES** that the Meeting Order remains in full force and effect, unvaried and unamended.

4. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Meeting Documents (as defined in the Meeting Order) and that the Meeting called pursuant to paragraph 18 of the Meeting Order was duly convened, held and conducted, in conformity with the CCAA and the Meeting Order.

AMENDMENT OF PLAN

5. **THIS COURT ORDERS AND DECLARES** that the amendments to the Plan described in Schedule "C" to this Order are hereby approved and the Committee is hereby authorized and directed to forthwith deliver to the Monitor, for posting on the Website, a restated Plan dated as of the date hereof.

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SANCTION OF PLAN

6. THIS COURT ORDERS AND DECLARES that:

- (a) the Plan has been approved by the requisite majorities of the Noteholders present and voting, either in person or by proxy, at the Meeting, all in conformity with the CCAA and the terms of the Initial Order;
- (b) the Applicants and the Respondents have acted in good faith and with due diligence, have complied with the provisions of the CCAA, and have not done or purported to do (nor does the Plan do or purport to do) anything that is not authorized by the CCAA;
- (c) the Applicants and the Respondents have adhered to, and acted in accordance with all Orders of this Court in the CCAA Proceedings; and
- (d) the Plan, together with all of the compromises, arrangements, transactions, releases, discharges, injunctions and results provided for therein and effected thereby are fair, reasonable and in the best interests of the Noteholders and does not unfairly disregard the interests of any Person (whether a Noteholder or otherwise).

7. THIS COURT ORDERS that the Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

8. THIS COURT ORDERS that the CCAA Parties and the Monitor, as the case may be, are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to enter into or implement the Plan in accordance with its terms, and enter into, execute, deliver, implement and consummate all of the steps, transactions and agreements contemplated pursuant to the Plan including the Approved Agreements.

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9. **THIS COURT ORDERS** that the Applicants shall provide to the Monitor forms of the Approved Agreements for posting on the Website no later than seven (7) days before the Plan Implementation Date and, if any amendments are made subsequent to posting of such documents, the Applicants shall forthwith provide to the Monitor a blacklined version thereof for posting on the Website.

10. **THIS COURT ORDERS** that upon the satisfaction or waiver, as applicable, of the conditions precedent set out in Section 8.1 of the Plan, the Monitor shall file with this Court a certificate that states that all conditions precedent set out in Section 8.1 of the Plan have been satisfied or waived, as applicable, and that, with the filing of such certificate by the Monitor, the Plan Implementation Date shall have occurred in accordance with the Plan.

11. **THIS COURT ORDERS** upon the Plan Implementation Date occurring, the Monitor, the CCAA Parties, the Issuing and Paying Agents, the New Issuer Trustee, the issuing and paying agent(s) in respect of the Plan Notes, the Depositary and CDS Clearing & Depository Services Inc. and the participants therein are hereby directed and authorized to complete the distributions contemplated under the Plan.

12. **THIS COURT ORDERS AND DECLARES** that any distributions under the Plan and this Order shall not constitute a "distribution" for the purposes of section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada) and section 107 of the Corporations Tax Act (Ontario) and any party in making any such payments is not "distributing", nor shall be considered to have "distributed", such funds, and shall not incur any liability under the above-mentioned statutes for making any payments ordered and is hereby forever released, remised and discharged from any claims against it under section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada) and section 107 of the Corporations Tax Act (Ontario).

13. **THIS COURT ORDERS AND DECLARES** that as of the Plan Implementation Date, the Plan, including all compromises, arrangements, transactions, releases, discharges and injunctions provided for therein, shall inure to the benefit of and be binding and effective upon the Notcholders, the Monitor and all other Persons affected thereby, and on their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

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14. **THIS COURT ORDERS** that, subject to the performance by the CCAA Parties, the Plan Participants and the Monitor of their respective obligations under the Plan, and except to the extent expressly provided otherwise by the Plan or this Order, no Person who is a party to any obligation or agreement with the CCAA Parties shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason:

- (a) of any event(s) that occurred on or prior to the Plan Implementation Date that would have entitled any other Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the CCAA Parties);
- (b) of the fact that relief under the CCAA has been sought or obtained in respect of the CCAA Parties, that the CCAA Proceedings have been commenced or completed, or that the within restructuring has been implemented in respect of the CCAA Parties; or
- (c) of any compromises or arrangements effected pursuant to this Plan.

15. **THIS COURT ORDERS** that, as of the Plan Implementation Date, each Noteholder shall be deemed to have consented and agreed to all of the provisions of the Plan in their entirety and, in particular, each Noteholder shall be deemed:

- (a) to have executed and delivered to the Monitor and to the relevant Plan Participants all consents, releases or agreements required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Noteholder and the CCAA Parties as of the Plan Implementation Date and the provisions of the Plan, the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

RELEASES, DISCHARGES AND INJUNCTIONS

16. **THIS COURT ORDERS AND DECLARES** that the compromises, arrangements, exculpations, releases, discharges and injunctions contemplated in the Plan, including those granted by and for the benefit of the Released Parties, are integral components thereof and are necessary for, and vital to, the success of the Plan and that, effective on the Plan Implementation Date, all such compromises, arrangements, exculpations, releases, discharges and injunctions are hereby sanctioned, approved and given full force and effect in accordance with and subject to their respective terms.

17. **THIS COURT ORDERS** that without limiting the effect or validity of any provision of this Order or the Plan and for greater certainty, immediately upon the Plan Implementation Date having occurred, every Person (regardless of whether or not such Person is a Notchholder), including each of the Released Parties on the Person's own behalf and on behalf of the Person's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, hereby fully, finally, irrevocably and unconditionally releases and forever discharges each of the Released Parties of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including attorneys' fees and liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly: any act or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the Third-Party ABCP market in Canada, the ABCP Conduits, the Affected ABCP, the business and affairs of any of the Released Parties relating to or otherwise in connection with the Affected ABCP, Affected ABCP Credit Default Swaps, the LSS Assets, Hybrid Assets and Traditional Assets, including without limitation any of such assets that are Ineligible Assets, the CCAA Proceedings, the activities undertaken or not undertaken as a result of the Standstill, in anticipation of or preparation for the restructuring of the Affected ABCP and/or the CCAA Proceedings, the Information Statement,

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the Meeting or the Plan (collectively, the "ABCP Market Claims"); and each Person shall not make or continue any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any, under the Plan or any Approved Agreements. This paragraph does not apply to Unaffected Claims.

18. **THIS COURT ORDERS** that without limiting the effect or validity of any provision of this Order or the Plan and for greater certainty, immediately upon Plan Implementation occurring, all Persons (regardless of whether or not such Persons are Noteholders), along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to ABCP Market Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or

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more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan. This paragraph does not apply to enjoin the making of Unaffected Claims.

19. **THIS COURT ORDERS** that, notwithstanding paragraphs 17 and 18, nothing in this Order shall: (i) release, enjoin or compromise claims against directors of the Respondents that are described in Section 5.1(2) of the CCAA; or (ii) stay, release, discharge, bar, enjoin or otherwise interfere with any powers or remedies of, or proceedings or investigations by, any regulatory or self-regulatory body having jurisdiction (pursuant to any applicable statute, regulation, rule or, in the case of the Investment Industry Regulatory Organization of Canada, contract) over any Released Party concerning such Released Party's involvement in the creation, issue, sale or rating of any Affected ABCP, provided that paragraphs 17 and 18 would be effective to release and enjoin the making of any order or award to compensate or make restitution to an aggrieved person or company or to pay general or punitive damages to any other person or company.

20. **THIS COURT ORDERS** that, without derogating from Section 9.3 of the Plan, paragraphs 17 and 18 hereof do not apply to an Excepted Claim (and only an Excepted Claim as strictly defined herein) by a Potential Plaintiff (as hereinafter defined) against a Potential Defendant (as hereinafter defined) for Damages (as hereinafter defined), provided that:

(a) for the purposes of this paragraph 20, a "Potential Plaintiff" shall mean a Noteholder other than:

- (i) ABCP Dealers, including any ABCP Dealer that is an institution represented by a member of the Investors Committee, the Asset Providers, and the Canadian Banks, together with, in all cases, all subsidiaries thereof and affiliates thereof, both upstream and downstream;
- (ii) the following Noteholders that are institutions represented by members of the Investors Committee: Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canada Mortgage and

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Housing Corporation, Canada Post Corporation, Credit Union Central of Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., NAV Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board, and The Governors of the University of Alberta in respect of all Affected ABCP under the direct or indirect (including through affiliates) ownership, administration, management or control of the foregoing Noteholders, including but not limited to the Affected ABCP such Noteholders indicated to the Monitor for the purposes of voting on the Plan (collectively, the "Noteholders' Affected ABCP"), and all other Persons, including all subsidiaries and affiliates of the foregoing Noteholders both upstream and downstream, in respect of the Noteholders' Affected ABCP; and

(iii) any clients or former clients of Canaccord Capital Corporation and Credential Securities Inc. that receive the payments contemplated by the publicly-announced "Canaccord Relief Program" or the "Credential Relief Program" (together, the "Programs"), provided that any client or former client of Canaccord Capital Corporation or Credential Securities Inc. that elected to participate in the Programs who does not receive payment of the purchase price to be paid by Canaccord Capital Corporation or Credential Securities Inc. before the end of the 20th business day after the completion of the distribution of Plan Notes shall be eligible and permitted to be a "Potential Plaintiff" for the purposes of this paragraph 20 and the nine week time period referenced in paragraph 20(f)(ii) shall commence as of that date;

(b) for the purposes of this paragraph 20 and an Excepted Claim, "Potential Defendant" shall mean the ABCP Dealer that sold the specific Affected ABCP which is the subject of the Excepted Claim;

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- (c) for the purposes of this paragraph 20, "Excepted Claim" shall mean a claim that contains all of the allegations required by paragraph 20(d) hereof and is based on allegations that the Potential Plaintiff suffered damages (or, if civil law applies to an Excepted Claim, prejudice) as a direct result of purchasing specific Affected ABCP in reliance on express fraudulent misrepresentations relevant to such specific Affected ABCP made directly by an authorized representative of the Potential Defendant to the Potential Plaintiff at the time such specific Affected ABCP held by the Potential Plaintiff was purchased from the Potential Defendant, that the representative made with the intention of inducing the Potential Plaintiff to purchase such specific Affected ABCP and that the representative knew to be false, and to be successful in such claim, each element of the Excepted Claim as set forth in this paragraph 20(c) and the particulars required by paragraph 20(d) must be proven; provided that, for greater certainty, nothing in this paragraph 20(c) is intended to create a new cause of action;
- (d) for the purposes of this paragraph 20, the initial pleadings of an Excepted Claim shall set out particulars of the following elements:
 - (i) the allegation that an authorized representative of a Potential Defendant made one or more express fraudulent misrepresentations directly to the Potential Plaintiff at the time of the sale of such specific Affected ABCP purchased by the Potential Plaintiff from the Potential Defendant with the intention to induce the Potential Plaintiff to purchase such specific Affected ABCP;
 - (ii) the allegation that the representations of the Potential Defendant's authorized representative was knowingly false to the knowledge of the representative where the Potential Plaintiff identifies:
 - 1. the name of the authorized representative of the Potential Defendant, including position if known;

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2. the person or persons to whom the representation was made, including position with the Potential Plaintiff;
 3. the date or dates of the purchase of such specific Affected ABCP;
 4. the text of the representation said to be materially untrue and whether oral or in writing;
 5. the action taken by the Potential Plaintiff in reliance on the representation;
- (iii) the allegation that the Potential Plaintiff placed reliance on the representation and the basis on which it is alleged that the reliance was reasonable; and
- (iv) the detriment alleged to be suffered by the Potential Plaintiff;
- (e) the Potential Defendant may move before the CCAA Court for a determination that the claim of the Potential Plaintiff, as pled, does not constitute an Excepted Claim, and the determination of the CCAA Court shall be binding on the parties;
- (f) a Potential Plaintiff shall only have the right to pursue an Excepted Claim if:
- (i) the Potential Plaintiff expressly waives the application of Sections 10.1 and 10.2 of the Plan and paragraphs 17 and 18 hereof as they apply to any defences or counterclaims against the Potential Plaintiff that the Potential Defendant may wish to assert;
 - (ii) subject to paragraph 20(a)(iii), the Potential Plaintiff serves and files an initial pleading in a proceeding to pursue the Excepted Claim containing the particulars required by paragraph 20(d) within nine weeks of the date of delivery of notice by the Monitor;
 - (iii) the Potential Plaintiff affords to the Potential Defendant the opportunity, which the Potential Defendant may exercise within 10 days of service of

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the Potential Plaintiff's initial pleading, to offer to purchase the Potential Plaintiff's Plan Notes issued on account of the specific Affected ABCP that is the subject of the Excepted Claim free and clear of any encumbrances (the "Subject Plan Notes"), and if the Subject Plan Notes are purchased by the Potential Defendant, then the Potential Plaintiff shall post cash or a letter of credit acceptable to the Potential Defendant as security in an amount equal to the estimated legal costs on a full indemnity basis (as may be determined by the Court in which the proceeding is commenced) of the Potential Defendant with respect to the Excepted Claim;

(iv) if the Subject Plan Notes are not sold pursuant to (iii) above, the Potential Plaintiff shall post upon receipt its unencumbered Subject Plan Notes as security for costs relating to the proceeding provided that the Potential Plaintiff shall not be required to post any Subject Plan Notes (and if Subject Plan Notes have been posted, the Potential Plaintiff shall be entitled to release and possession of such notes) upon posting cash or a letter of credit acceptable to the Potential Defendant as security in an amount equal to the estimated legal costs on a full indemnity basis (as may be determined by the Court in which the proceeding is commenced) of the Potential Defendant with respect to the Excepted Claim; and

(v) a Potential Plaintiff which has continued to hold or has received, as the case may be, the unencumbered Subject Plan Notes, after posting cash or a letter of credit as security for costs in accordance with paragraph 20(i)(iv), shall be entitled to encumber or dispose of any or all of such Subject Plan Notes;

(g) except as provided in this paragraph 20, paragraphs 17 and 18 shall remain in full force and effect, and for greater certainty,

(i) a Potential Plaintiff may not commence any claim other than an Excepted Claim;

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- (ii) a Potential Plaintiff may pursue an Excepted Claim only as provided by, and in accordance with the time limits set out in, this paragraph 20, and any Excepted Claim that is not pursued as provided by, and in accordance with the time limits set out in, this paragraph 20 is subject to paragraphs 17 and 18 and to Sections 10.1 and 10.2 of the Plan and therefore is forever released and barred upon the Plan Implementation Date having occurred;
- (iii) no claim other than an Excepted Claim shall be advanced by any Potential Plaintiff, even if such claim arises from the same set of facts that allegedly give rise to the Excepted Claim, and the Excepted Claim may not be expanded by the Potential Plaintiff through the discovery process provided that adding further factual particulars in respect of the Excepted Claim through the discovery process shall not be an expansion of the Excepted Claim; and
- (iv) a Potential Defendant may not under any circumstances seek contribution, indemnity or other relief over in respect of an Excepted Claim from another Released Party (other than the Potential Plaintiff, as contemplated by paragraph 20(f)(i)) where a Potential Plaintiff pursues an Excepted Claim against that Potential Defendant in accordance with this paragraph 20;
- (h) a Potential Plaintiff who proves each element of an Excepted Claim and proves the particulars thereof set forth in paragraph 20(d) shall be entitled to no more than damages ("Damages") equal to the difference between (i) the principal amount of the specific Affected ABCP, together with interest thereon, and (ii) the value of the consideration, including the Subject Plan Notes and any amounts distributed to the Potential Plaintiff on the Subject Plan Notes, previously distributed on account of such specific Affected ABCP through the implementation of the Plan. The value of the consideration in (ii) with respect to Subject Plan Notes that have been disposed of by the Potential Plaintiff shall be

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the greatest of (x) the proceeds of disposition of such Subject Plan Notes together with any amounts previously distributed thereon, (y) the value of such Subject Plan Notes at the date of judgment on the Excepted Claim, together with any amounts previously distributed thereon, and (z) to the extent that the Potential Defendant purchases Plan Notes in a bona fide arm's length purchase at fair market value of the same class as the Subject Plan Notes within a reasonable period of time prior to the date Damages are assessed in respect of the Excepted Claim ("Purchased Plan Notes"), the purchase price paid by the Potential Defendant for the Purchased Plan Notes together with any amounts previously distributed on such Subject Plan Notes plus, to the extent that the Purchased Plan Notes are less in principal amount than the Subject Plan Notes, the value of the balance of Subject Plan Notes that the Potential Plaintiff disposed of computed as the greater of (x) and (y) in respect of such balance. Where the Potential Plaintiff is entitled to receive Damages, both the Potential Plaintiff and the Potential Defendant shall have the option of requiring the unsuccessful Potential Defendant to purchase, or requiring the Potential Plaintiff to sell to the Potential Defendant, as the case may be, the balance of the Potential Plaintiff's Subject Plan Notes as the Potential Plaintiff shall then hold and which were issued on account of the specific Affected ABCP for which Damages are payable, free and clear of any encumbrances, for the amount set out in (i) in respect of the specific Affected ABCP on account of which such Subject Plan Notes were issued, less any amounts previously distributed to the Potential Plaintiff as contemplated by (ii) in respect of the specific Affected ABCP on account of which such Subject Plan Notes were issued and on those Subject Plan Notes;

- (i) the successful litigant will be entitled to legal costs on a full indemnity basis with respect to Excepted Claim(s); and
- (ii) the Monitor shall, within five Business Days following the date of this Order, give notice of the rights of Potential Plaintiffs under this paragraph 20 and Section 10.4 of the Plan as follows:

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- (i) sending a notice to each party represented on the service list for this proceeding;
- (ii) posting a notice on the Website;
- (iii) sending a notice to each Notchholder who filed a Voter Identification Form or Voter Confirmation Form with the Monitor, by e-mail or (where no e-mail address was provided to the Monitor) by courier at the last e-mail or mailing address provided to the Monitor by the Notchholder;
- (iv) sending a notice to CDS and requesting that CDS notify its participants of the notice; and
- (v) sending a notice to each Registered Holder and requesting that such Registered Holder notify any parties on whose behalf the Registered Holder is holding Affected ABCP.

APPROVAL OF THE MONITOR'S REPORTS

21. **THIS COURT ORDERS** that the Reports of the Monitor and the activities of the Monitor referred to therein be and are hereby approved.

DISCHARGE OF MONITOR

22. **THIS COURT ORDERS** that on the Plan Implementation Date, and subject to this Order, the Monitor shall be discharged and released and shall have no further obligations or responsibilities, except only with respect to any remaining duties or powers required to implement and give effect to the terms of the Plan and this Order.

23. **THIS COURT ORDERS** that the completion of the Monitor's duties shall be evidenced, and its final discharge shall be effected by the filing by the Monitor with this Court of a certificate of discharge.

24. **THIS COURT ORDERS AND DECLARES** that the actions and conduct of the Monitor in the CCAA Proceedings are hereby approved and that the Monitor has satisfied all of

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its obligations up to and including the date of this Order, and that in addition to the protections in favour of the Monitor as set out in the Orders of this Court in the CCAA Proceedings to date, the Monitor shall not be liable for any act or omission on the part of the Monitor, including with respect to any reliance thereof, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of duties under the Plan or as requested by the Applicants or with respect to any other duties or obligations in respect of the implementation of the Plan, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Subject to the foregoing, and in addition to the protections in favour of the Monitor as set out in the Orders of this Court, any claims against the Monitor in connection with the performance of its duties as Monitor are hereby released, stayed, extinguished and forever barred and the Monitor shall have no liability in respect thereof.

25. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor and such further order securing, as security for costs, the solicitor and his own client costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

26. **THIS COURT ORDERS** that the Monitor, its affiliates, and their respective officers, directors, employees and agents, and counsel for the Monitor, are hereby released and discharged from any and all claims that any Persons may have or be entitled to assert against the Monitor, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of issue of this Order in any way relating to, arising out of or in respect of the CCAA Proceedings.

CHARGES

27. **THIS COURT ORDERS** that, upon the terms of Section 6.5 of the Plan being met, the CCAA Charges on the assets of the CCAA Parties provided for in the Initial CCAA Order and

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any subsequent Orders in the CCAA Proceedings shall automatically be fully and finally terminated, discharged and released on the Plan Implementation Date.

28. **THIS COURT ORDERS** that, notwithstanding the preceding paragraph, the Monitor shall continue to hold the benefit of a CCAA Charge, as provided in the Initial CCAA Order, until the Monitor has completed its duties under the Plan and the fees and disbursements of the Monitor and its counsel have been fully paid.

INITIAL CCAA ORDER AND OTHER ORDERS

29. **THIS COURT ORDERS** that:

- (a) except to the extent that the Initial CCAA Order has been varied by or is inconsistent with this Order or any further Order of this Court, the provisions of the Initial CCAA Order shall remain in full force and effect until the Plan Implementation Date; provided that the protections granted in favour of the Monitor shall continue in full force and effect after the Plan Implementation Date; and
- (b) all other Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by, or are inconsistent with, this Order or any further Order of this Court in the CCAA Proceedings; provided that the protections granted in favour of the Monitor shall continue in full force and effect after the Plan Implementation Date.

EFFECT, RECOGNITION, ASSISTANCE

30. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may otherwise be enforceable.

31. **THIS COURT REQUESTS** the aid, recognition and assistance of other courts in Canada in accordance with Section 17 of the CCAA and requests that the Federal Court of

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Canada and the courts and judicial, regulatory and administrative bodies of or by the provinces and territories of Canada, the Parliament of Canada, the United States of America, the states and other subdivisions of the United States of America including, without limitation, the U.S. District Court, and other nations and states act in aid, recognition and assistance of, and be complementary to, this Court in carrying out the terms of this Order and any other Order in this proceeding. Each of Applicants and the Monitor shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other court and judicial, regulatory and administrative bodies, and take such other steps, in Canada or the United States of America, as may be necessary or advisable to give effect to this Order.

32. **THIS COURT ORDERS AND DECLARES** that this Order will form the basis for an exemption from the registration requirements under section 3(a)(10) of the *United States Securities Act of 1933*, as amended, in respect of certain securities to be issued pursuant to the Plan.

ADVICE AND DIRECTION

33. **THIS COURT ORDERS** that the Applicants may from time to time apply to this Court for advice and directions concerning further amendments to the Plan.

34. **THIS COURT ORDERS** that any of the Monitor, the Applicants or the Respondents may from time to time apply to this Court for advice and directions concerning the implementation of the Plan or the discharge of their powers and duties hereunder.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUN 18 2008

PER/PAR:

UP



LEIGH Paulsen,
Registrar

SCHEDULE "A"

Conduit Trusts

Apollo Trust
Apsley Trust
Aria Trust
Aurora Trust
Comet Trust
Encore Trust
Gemini Trust
Ironstone Trust
MMAI-I Trust
Newshore Canadian Trust
Opus Trust
Planet Trust
Rocket Trust
Selkirk Funding Trust
Silverstone Trust
Slate Trust
Structured Asset Trust
Structured Investment Trust III
Symphony Trust
Whitehall Trust

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SCHEDULE "B"

Applicants

ATB Financial
Caisse de Dépôt et Placement du Québec
Canaccord Capital Corporation
Canada Mortgage and Housing Corporation
Canada Post Corporation
Credit Union Central Alberta Limited
Credit Union Central of British Columbia
Credit Union Central of Canada
Credit Union Central of Ontario
Credit Union Central of Saskatchewan
Desjardins Group
Magna International Inc.
National Bank Financial Inc./National Bank Of Canada
NAV Canada
Northwater Capital Management Inc.
Public Sector Pension Investment Board
The Governors of the University of Alberta

SCHEDULE "C"

Amendments to Amended Plan of Compromise and Arrangement dated March 19, 2008

Section 1.1

- in the definition of "**ABCP Dealers**" at the end, before the semi-colon, insert "or that purchased any of the Affected ABCP on behalf of its clients"
- in the definition of "**Liquidity Providers**" delete "Barclays Bank plc"
- in the definition of "**Released Parties**" delete "Satellite Trusts Parties" and replace with "Satellite Trust Parties", delete "Canadian Depository" and replace with "The Canadian Depository" and replace "Depository Services" with "Depository Services"
- delete the definition of "**Satellite Trust**" and replace with:

"Satellite Trust" means a trust created pursuant to a base trust agreement or a declaration of trust in respect of which any of the ABCP Conduits, alone or together with other ABCP Conduits, holds all or substantially all of the beneficial ownership interests or debt interests.

- after the definition of "**SN Tracking Notes**" insert the following new definition:

"Specified Satellite Trusts" means the following Satellite Trusts: Constellation Credit Linked Trust (CB LSS-2) Series 2006-1, Constellation Credit Linked Trust (CB LSS) Series 2005-1, Constellation Credit Linked Trust (Super Senior 2) Series 2005-1, Constellation Credit Linked Trust (Shamrock) Series 2005-1, Constellation Credit Linked Trust (CDXLS 1) Series 2006-1, Constellation Credit Linked Trust (PML-M2) Series 2006-1, Constellation Credit Linked Trust (ML LSS) Series 2006-1, Constellation Credit Linked Trust (MT 6 I/S) Series 2006-1, Constellation Credit Linked Trust (Banff) Series 2006-1, Constellation Credit Linked Trust (Galibier) Series 2006-1, Constellation Credit Linked Trust (Super Senior 3) Series 2005-1, Constellation Credit Linked Trust (Super Senior 4) Series 2005-1, Constellation Credit Linked Trust (iTraxx 1) Series 2006-1, Constellation Credit Linked Trust (IMI-CDS-2) Series 2005-1, Constellation Credit Linked Trust (IML-CDS) Series 2005-1, Constellation Credit Linked Trust (Integrity) Series 2005-1, Constellation Credit Linked Trust (Integrity) Series 2005-2, Constellation Credit Linked Trust (ML LSS-2) Series 2006-1, Constellation Credit Linked Trust (Stamford) Series 2006-1, Constellation Credit Linked Trust (MPL-CDN) Series 2006-1, Constellation Credit Linked Trust (MPL-US) Series 2006-1, Constellation Credit Linked Trust (SYNREMIC) Series

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2005-1, Nemertes Credit Linked Trust (MT-LSS) Series 2005, Nemertes Credit Linked Certificate Trust (Commerce-LSS) Series 2005, Nemertes Credit Linked Certificate Trust (CADBANA) Series 2005-1, Nemertes Credit Linked Certificate Trust (FC Super Senior) Series 2005-1, Nemertes Credit Linked Certificate Trust (LSS II) Series 2005, Nemertes Credit Linked Certificate Trust (ML-LSS II) Series 2006, Nemertes Credit Linked Certificate Trust (Morningside) Series 2005, Nemertes Credit Linked Certificate Trust (BCO-LSS) Series 2006, Nemertes Credit Linked Certificate Trust (Citi-LSS) Series 2006, Nemertes Credit Linked Certificate Trust (Commerce-LSS II) Series 2006, Nemertes Credit Linked Certificate Trust (ML-LSS) Series 2006, Nemertes Credit Linked Certificate Trust (ML-LSS IV) Series 2006 and Coastal Mountain Base Trust Series 2006-1;

Section 3.3

- delete the words “as against a CCAA Party” from the lead-in language

Section 5.2(c)

- at the beginning, above the heading MAV1, insert the following new paragraph:

Each of the Specified Satellite Trusts will redeem all outstanding certificates issued by it and will satisfy the redemption price by issuing to the holder one or more demand non-interest bearing promissory notes (each, a “Satellite Trust Promissory Note”) having a principal amount equal to the adjusted cost base (as defined in subsection 107(1) of the *Income Tax Act* (Canada)) of the certificate immediately prior to it being redeemed.

- in the first sentence of the paragraph that is immediately below the heading MAV1, after “and Ineligible Assets” insert “(or where the Synthetic and Hybrid Assets and Ineligible Assets are owned by a Satellite Trust other than a Specified Satellite Trust, that portion of the ABCP Conduit’s interest in the Satellite Trust)”
- at the end of the paragraph that is immediately below the heading MAV1, insert the following new paragraph:

Where an ABCP Conduit transfers assets to MAV1 pursuant to the foregoing and thereby transfers to MAV1 a Satellite Trust Promissory Note of a Specified Satellite Trust, that Specified Satellite Trust will assign, transfer and convey to MAV1 the same proportion of its Synthetic and Hybrid Assets as that transferred by the ABCP Conduit holding its Satellite Trust Promissory Note. MAV1 will satisfy the purchase price for the transferred assets by assuming the same proportionate amount of the respective Specified Satellite Trust’s obligations (i)

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incurred by it to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations, and (ii) under the Satellite Trust Promissory Note issued by it as described above.

- in the first sentence of the paragraph that is immediately below the heading MAV2, after “and Ineligible Assots” insert “(or where the Synthetic and Hybrid Assets and Ineligible Assets are owned by a Satellite Trust other than a Specified Satellite Trust, a portion of the ABCP Conduit’s interest in the Satellite Trust)”
- at the end of the first paragraph that is immediately below the heading the MAV2, insert the following new paragraph:

Where an ABCP Conduit transfers assets to MAV2 pursuant to the foregoing and thereby transfers to MAV2 a Satellite Trust Promissory Note of a Specified Satellite Trust, that Specified Satellite Trust will assign, transfer and convey to MAV2 the same proportion of its Synthetic and Hybrid Assets as that transferred by the ABCP Conduit holding its Satellite Trust Promissory Note. MAV2 will satisfy the purchase price for the transferred assets by assuming the same proportionate amount of the respective Specified Satellite Trust’s obligations (i) incurred by it to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations, and (ii) under the Satellite Trust Promissory Note issued by it as described above.

Section 5.2(d)

- in the first sentence, after the first occurrence of “Ineligible Assets”, insert “, and each Specified Satellite Trust owning Ineligible Assets,”
- in the second sentence, in sub-paragraph (i), after “ABCP Conduit’s”, insert “or Specified Satellite Trust’s” and after “Conduits”, insert “or Specified Satellite Trusts”
- in sub-paragraph (ii), after “ABCP Conduits”, insert “(or Satellite Trust Promissory Note in the case of a Specified Satellite Trust)”
- after the first paragraph, insert the following new paragraph:

Upon completion of the transfers set out in Section 5.2(c) and this Section 5.2(d) the Satellite Trust Promissory Notes will be cancelled.

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Section 5.2(e)

- in the first sentence, after “its Exclusively Traditional Assets”, insert “(or where the Exclusively Traditional Assets are owned by a Satellite Trust other than a Specified Satellite Trust, the ABCP Conduit’s interest in that Satellite Trust)”

Section 5.2(f)

- after the words “ABCP Conduits”, insert “or applicable Satellite Trusts, as the case may be”

Section 5.2(h)

- at the end of the first sentence, delete “MAV1 Notes, MAV2 Notes and/or MAV3 Notes” and replace with “Plan Notes”

Section 5.2(k)

- in the first sentence, after “ABCP Conduits” insert “and Specified Satellite Trusts”
- in the first sentence, insert “and” before “(ii)” and delete “the shares of each of the Respondents will be acquired by the New Issuer Trustee on behalf of the MAVs (or by a new entity) and (iii)”

Section 6.1

- in the last sentence of the first paragraph insert after “Noteholder” the following “, other than National Bank of Canada and National Bank Financial Inc.,”

Section 6.2

- in the first sentence, delete the first “will” and replace with “may” and delete the second “will” and replace with “would”
- at the end of the second sentence, insert before the period “, if and when directed to do so by the Monitor”

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Section 6.6

- in the second sentence, after "on" insert "or after"
- after the second sentence insert the following sentence:

The amount payable to Noteholders on account of interest (the "Interest Entitlement") on Affected ABCP as of the Plan Implementation Date shall be determined by the Investors Committee with the assistance of the Monitor and shall be limited to and calculated in reference to, those surplus funds.

- at the end of the section, add the following new sentence:

Any right of Noteholders to receive interest in excess of the Interest Entitlement will be extinguished before the exchange of Affected ABCP described in Section 5.2(h) occurs.

Section 6.7

- delete all of Section 6.7 and replace with the following:

Registered Noteholders (whose names appear on the registers maintained by the Issuing and Paying Agents) and participants ("Institutional Participants") in the clearing and depository systems maintained by CDS Clearing & Depository Services Inc. in respect of Affected ABCP for which CDS Clearing & Depository Services Inc. is the registered holder (collectively, "Depositing Holders") will be required to properly complete and deliver tender and transmittal documentation, together with all physical certificates held by such Depositing Holder (if any), to the Depository (either directly or indirectly using the automated CDSX on-line system), as directed by the Monitor and the Depository. Following the Plan Implementation Date, upon receipt of all properly completed required documentation, the Depository will deliver (or instruct the New Indenture Trustees to deliver) to such Depositing Holders the Plan Notes to which each is entitled in accordance with this Plan, which Plan Notes may be delivered directly by way of physical certificates or by way of a confirmation of a global deposit position with CDS Clearing & Depository Services Inc., as appropriate. Certain holders of Plan Notes may be required to continue to hold physical certificates. Depositing Holders who fail to deliver the required documentation within two (2) years of the Plan Implementation Date may be barred, at the option of the applicable MAVs, from receiving distributions of Plan Notes in respect of such Affected ABCP. No Plan Note will be issued in an amount less than one dollar (\$1). All amounts will be rounded down to the nearest whole dollar. The transmittal documentation (including any letter of transmittal) will include instructions as to the calculation of entitlements to Plan Notes, including for the

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purposes of allocating to beneficial holders on behalf of whom a Depositing Holder may hold Affected ABCP.

Sections 10.3 and 10.4

- after Section 10.2, add the following new sections:

10.3 Notwithstanding sections 10.1 and 10.2, nothing in this Plan shall: (i) release, enjoin or compromise claims against directors of the Respondents that are described in Section 5.1(2) of the CCAA; or (ii) stay, release, discharge, bar, enjoin or otherwise interfere with any powers or remedies of, or proceedings or investigations by, any regulatory or self-regulatory body having jurisdiction (pursuant to any applicable statute, regulation, rule or, in the case of the Investment Industry Regulatory Organization of Canada, contract) over any Released Party concerning such Released Party's involvement in the creation, issue, sale or rating of any Affected ABCP, provided that sections 10.1 and 10.2 would be effective to release and enjoin the making of any order or award to compensate or make restitution to an aggrieved person or company or to pay general or punitive damages to any other person or company.

10.4 Without derogating from Section 9.3, Sections 10.1 and 10.2 do not apply to an Excepted Claim (and only an Excepted Claim as strictly defined herein) by a Potential Plaintiff (as hereinafter defined) against a Potential Defendant (as hereinafter defined) for Damages (as hereinafter defined), provided that:

- (a) for the purposes of this Section 10.4, a "Potential Plaintiff" shall mean a Noteholder other than:
 - (i) ABCP Dealers, including any ABCP Dealer that is an institution represented by a member of the Investors Committee, the Asset Providers, and the Canadian Banks, together with, in all cases, all subsidiaries thereof and affiliates thereof, both upstream and downstream;
 - (ii) the following Noteholders that are institutions represented by members of the Investors Committee: Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central of Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., NAV Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board, and The Governors of the University of Alberta in respect of all Affected ABCP

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under the direct or indirect (including through affiliates) ownership, administration, management or control of the foregoing Noteholders, including but not limited to the Affected ABCP such Noteholders indicated to the Monitor for the purposes of voting on the Plan (collectively, the "Noteholders' Affected ABCP"), and all other Persons, including all subsidiaries and affiliates of the foregoing Noteholders both upstream and downstream, in respect of the Noteholders' Affected ABCP; and

- (iii) any clients or former clients of Canaccord Capital Corporation and Credential Securities Inc. that receive the payments contemplated by the publicly-announced "Canaccord Relief Program" or the "Credential Relief Program" (together, the "Programs"), provided that any client or former client of Canaccord Capital Corporation or Credential Securities Inc. that elected to participate in the Programs who does not receive payment of the purchase price to be paid by Canaccord Capital Corporation or Credential Securities Inc. before the end of the 20th business day after the completion of the distribution of Plan Notes shall be eligible and permitted to be a "Potential Plaintiff" for the purposes of this Section 10.4 and the nine week time period referenced in Section 10.4(i)(ii) shall commence as of that date;
- (b) for the purposes of this Section 10.4 and an Excepted Claim, "Potential Defendant" shall mean the ABCP Dealer that sold the specific Affected ABCP which is the subject of the Excepted Claim;
- (c) for the purposes of this Section 10.4, "Excepted Claim" shall mean a claim that contains all of the allegations required by Section 10.4(d) hereof and is based on allegations that the Potential Plaintiff suffered damages (or, if civil law applies to an Excepted Claim, prejudice) as a direct result of purchasing specific Affected ABCP in reliance on express fraudulent misrepresentations relevant to such specific Affected ABCP made directly by an authorized representative of the Potential Defendant to the Potential Plaintiff at the time such specific Affected ABCP held by the Potential Plaintiff was purchased from the Potential Defendant, that the representative made with the intention of inducing the Potential Plaintiff to purchase such specific Affected ABCP and that the representative knew to be false, and to be successful in such claim, each element of the Excepted Claim as set forth in this Section 10.4(c) and the particulars required by Section 10.4(d)

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must be proven; provided that, for greater certainty, nothing in this Section 10.4(e) is intended to create a new cause of action;

- (d) for the purposes of this Section 10.4, the initial pleadings of an Excepted Claim shall set out particulars of the following elements:
 - (i) the allegation that an authorized representative of a Potential Defendant made one or more express fraudulent misrepresentations directly to the Potential Plaintiff at the time of the sale of such specific Affected ABCP purchased by the Potential Plaintiff from the Potential Defendant with the intention to induce the Potential Plaintiff to purchase such specific Affected ABCP;
 - (ii) the allegation that the representations of the Potential Defendant's authorized representative was knowingly false to the knowledge of the representative where the Potential Plaintiff identifies:
 - 1. the name of the authorized representative of the Potential Defendant, including position if known;
 - 2. the person or persons to whom the representation was made, including position with the Potential Plaintiff;
 - 3. the date or dates of the purchase of such specific Affected ABCP;
 - 4. the text of the representation said to be materially untrue and whether oral or in writing;
 - 5. the action taken by the Potential Plaintiff in reliance on the representation;
 - (iii) the allegation that the Potential Plaintiff placed reliance on the representation and the basis on which it is alleged that the reliance was reasonable; and
 - (iv) the detriment alleged to be suffered by the Potential Plaintiff;
- (e) the Potential Defendant may move before the CCAA Court for a determination that the claim of the Potential Plaintiff, as pled, does not constitute an Excepted Claim, and the determination of the CCAA Court shall be binding on the parties;
- (f) the Sanction Order shall provide that, notwithstanding any motion or application for leave to appeal or appeal from the Sanction

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Order, the Monitor shall notify all Potential Plaintiffs of their rights under this Section 10.4 within five Business Days following the date of the Sanction Order and a Potential Plaintiff shall only have the right to pursue an Excepted Claim if:

- (i) the Potential Plaintiff expressly waives the application of Sections 10.1 and 10.2 as it applies to any defences or counterclaims against the Potential Plaintiff that the Potential Defendant may wish to assert;
- (ii) subject to Section 10.4(a)(iii), the Potential Plaintiff serves and files an initial pleading in a proceeding to pursue the Excepted Claim containing the particulars required by Section 10.4(d) within nine weeks of the date of delivery of notice by the Monitor;
- (iii) the Potential Plaintiff affords to the Potential Defendant the opportunity, which the Potential Defendant may exercise within 10 days of service of the Potential Plaintiff's initial pleading, to offer to purchase the Potential Plaintiff's Plan Notes issued on account of the specific Affected ABCP that is the subject of the Excepted Claim free and clear of any encumbrances (the "Subject Plan Notes"), and if the Subject Plan Notes are purchased by the Potential Defendant, then the Potential Plaintiff shall post cash or a letter of credit acceptable to the Potential Defendant as security in an amount equal to the estimated legal costs on a full indemnity basis (as may be determined by the Court in which the proceeding is commenced) of the Potential Defendant with respect to the Excepted Claim;
- (iv) if the Subject Plan Notes are not sold pursuant to (iii) above, the Potential Plaintiff shall post upon receipt its unencumbered Subject Plan Notes as security for costs relating to the proceeding provided that the Potential Plaintiff shall not be required to post any Subject Plan Notes (and if Subject Plan Notes have been posted, the Potential Plaintiff shall be entitled to release and possession of such notes) upon posting cash or a letter of credit acceptable to the Potential Defendant as security in an amount equal to the estimated legal costs on a full indemnity basis (as may be determined by the Court in which the proceeding is commenced) of the Potential Defendant with respect to the Excepted Claim; and
- (v) a Potential Plaintiff which has continued to hold or has received, as the case may be, the unencumbered Subject

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Plan Notes, after posting cash or a letter of credit as security for costs in accordance with Section 10.4(f)(iv), shall be entitled to encumber or dispose of any or all of such Subject Plan Notes;

- (g) except as provided in this Section 10.4, Sections 10.1 and 10.2 shall remain in full force and effect, and for greater certainty,
 - (i) a Potential Plaintiff may not commence any claim other than an Excepted Claim;
 - (ii) a Potential Plaintiff may pursue an Excepted Claim only as provided by, and in accordance with the time limits set out in, this Section 10.4, and any Excepted Claim that is not pursued as provided by, and in accordance with the time limits set out in, this Section 10.4 is subject to Sections 10.1 and 10.2 and therefore is forever released and barred;
 - (iii) no claim other than an Excepted Claim shall be advanced by any Potential Plaintiff, even if such claim arises from the same set of facts that allegedly give rise to the Excepted Claim, and the Excepted Claim may not be expanded by the Potential Plaintiff through the discovery process provided that adding further factual particulars in respect of the Excepted Claim through the discovery process shall not be an expansion of the Excepted Claim; and
 - (iv) a Potential Defendant may not under any circumstances seek contribution, indemnity or other relief over in respect of an Excepted Claim from another Released Party (other than the Potential Plaintiff, as contemplated by Section 10.4(f)(i)) where a Potential Plaintiff pursues an Excepted Claim against that Potential Defendant in accordance with this Section 10.4;
- (h) a Potential Plaintiff who proves each element of an Excepted Claim and proves the particulars thereof set forth in Section 10.4(d) shall be entitled to no more than damages ("Damages") equal to the difference between (i) the principal amount of the specific Affected ABCP, together with interest thereon, and (ii) the value of the consideration, including the Subject Plan Notes and any amounts distributed to the Potential Plaintiff on the Subject Plan Notes, previously distributed on account of such specific Affected ABCP through the implementation of the Plan. The value of the consideration in (ii) with respect to Subject Plan Notes that have been disposed of by the Potential Plaintiff shall be the greatest of (x) the proceeds of disposition of such Subject Plan

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Notes together with any amounts previously distributed thereon, (y) the value of such Subject Plan Notes at the date of judgment on the Excepted Claim, together with any amounts previously distributed thereon, and (z) to the extent that the Potential Defendant purchases Plan Notes in a bona fide arm's length purchase at fair market value of the same class as the Subject Plan Notes within a reasonable period of time prior to the date Damages are assessed in respect of the Excepted Claim ("Purchased Plan Notes"), the purchase price paid by the Potential Defendant for the Purchased Plan Notes together with any amounts previously distributed on such Subject Plan Notes plus, to the extent that the Purchased Plan Notes are less in principal amount than the Subject Plan Notes, the value of the balance of Subject Plan Notes that the Potential Plaintiff disposed of computed as the greater of (x) and (y) in respect of such balance. Where the Potential Plaintiff is entitled to receive Damages, both the Potential Plaintiff and the Potential Defendant shall have the option of requiring the unsuccessful Potential Defendant to purchase, or requiring the Potential Plaintiff to sell to the Potential Defendant, as the case may be, the balance of the Potential Plaintiff's Subject Plan Notes as the Potential Plaintiff shall then hold and which were issued on account of the specific Affected ABCP for which Damages are payable, free and clear of any encumbrances, for the amount set out in (i) in respect of the specific Affected ABCP on account of which such Subject Plan Notes were issued, less any amounts previously distributed to the Potential Plaintiff as contemplated by (ii) in respect of the specific Affected ABCP on account of which such Subject Plan Notes were issued and on those Subject Plan Notes; and

- (i) the successful litigant will be entitled to legal costs on a full indemnity basis with respect to Excepted Claim(s).

Section 11.1

- in the lead-in language delete "Margin Funding" and replace with "MFF"

Schedule "A"

- under "Apollo Trust", delete "Series F"
- under "Rocket Trust", immediately following "Series B" insert "Series C"

Court File No.: 08-CL-7440

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

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT INVOLVING
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP., ET AL.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

AMENDED SANCTION ORDER

GOODMANS LLP

Barristers & Solicitors

250 Yonge Street, Suite 2400

Toronto, Canada M5B 2M6

Benjamin Zarnett LSUC#: 17247M

Fred Myers LSUC#: 26301A

Brian F. Empey LSUC#: 30640G

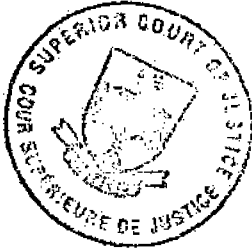
Tel: 416.979.2211

Fax: 416.979.1234

Counsel for the Applicants

Exhibit 2

[Plan Implementation Order]



Court File No. 08-CL-7440

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 12TH
)
MR. JUSTICE CAMPBELL) DAY OF JANUARY, 2009

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

AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS II CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS
III CORP., METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

BETWEEN:

THE INVESTORS REPRESENTED ON
THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY STRUCTURED
ASSET-BACKED COMMERCIAL PAPER LISTED IN SCHEDULE "B" HERETO

Applicants

- and -

METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO

Respondents

PLAN IMPLEMENTATION ORDER

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THE MOTION made by the investors represented on the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper listed in Schedule "B" hereto (each, an "Applicant", collectively, the "Applicants"), for an Order in connection with the implementation of the Applicants' Second Amended Plan of Compromise and Arrangement dated June 5, 2008, as amended from time to time in accordance with its terms (the "Second Amended Plan"), under the *Companies' Creditors Arrangement Act* (Canada), as amended (the "CCAA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Eighteenth Report of Ernst & Young Inc., in its capacity as Monitor (the "Monitor"), dated January 2, 2009 and all Schedules and Appendices thereto (the "Eighteenth Report"), the Nineteenth Report of the Monitor dated January 8, 2009 and all Schedules and Appendices thereto (the "Nineteenth Report"), the Supplement to the Eighteenth Report of the Monitor dated January 11, 2009 and all Schedules and Appendices thereto (the "Eighteenth Report Supplement"), the previous Reports of the Monitor and all Schedules and Appendices thereto, including the First Report of the Monitor dated March 17, 2008, the Second Report of the Monitor dated April 11, 2008, the Sixteenth Report of the Monitor dated December 16, 2008, and all Schedules and Appendices thereto, the Approved Agreements posted on the Website, and on hearing the submissions of counsel for the Applicants, the Respondents Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp. and Metcalfe & Mansfield Alternative Investments XII Corp., the Respondent 4446372 Canada Inc., the Respondent 6932819 Canada Inc., the Monitor, ~~the~~ Asset Providers, the Ad hoc Committee of Noteholders, the Ad hoc Committee of Retail Noteholders, Hy Bloom Inc., Coventure Inc., Nervus Financial Inc., the Administrator, C.D.P. & Co., the Canadian Banks, and National Bank Financial and *etc.*

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no one else appearing for the other parties listed on the service list attached to the Notice of Motion although duly served as appears from the Affidavit of Service of Fred Myers sworn Wednesday, January 7, 2009, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, the Eighteenth Report, the Eighteenth Report Supplement and the Nineteenth Report is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order or the Schedules hereto shall have the meanings ascribed to such terms in the Third Amended Plan of Compromise and Arrangement attached as Schedule "C" hereto (the "Plan"). In addition, any references in this Order to the Eighteenth Report shall include any supplements thereto as set out in the Eighteenth Report Supplement.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period as defined in paragraph 8 of the Initial CCAA Order is hereby extended to the earlier of (i) January 31, 2009 and (ii) the Plan Implementation Date.

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AMENDMENT OF PLAN

4. **THIS COURT ORDERS AND DECLARES** that to the extent the terms of the Plan, including the Approved Agreements, vary from the Second Amended Plan, such terms are hereby declared to be amendments made in accordance with Section 11.1 of the Plan and, to the extent necessary, are hereby approved, and the Applicants are hereby authorized and directed to forthwith deliver the Plan, dated as of the date hereof, to the Monitor for posting on the Website.

5. **THIS COURT ORDERS AND DECLARES** that, for greater certainty, any further documentation required to reflect the Senior Funding Facilities, including any modifications to the Plan and the Approved Agreements in that regard, are hereby deemed not to be amendments to the Plan requiring further approval of this Court.

PRINCIPAL AND INTEREST PAYMENTS

6. **THIS COURT ORDERS AND DECLARES** that all outstanding trust indentures and their related supplements and the terms of the notes issued thereunder in respect of all Affected ABCP are hereby amended and deemed to be amended to the extent necessary to create an additional obligation to pay the Interest Entitlement created for each Series of Affected ABCP (if any) by Section 6.6 of the Plan and as specified for each Series of Affected ABCP (if any) in the Eighteenth Report at paragraphs 48 to 62 thereof under the heading "Proposed Allocation and Distribution of Interest Entitlement".

7. **THIS COURT ORDERS AND DECLARES** that the amendments to the Affected ABCP and the trust indentures and their related supplements and notes issued in respect of the Affected ABCP referred to in paragraph 6 of this Order shall have effect from the effective date

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of such trust indentures and their related supplements and notes.

8. **THIS COURT ORDERS AND DECLARES** that, pursuant to Section 6.6 of the Plan and paragraphs 8 and 11 of the Amended Sanction Order dated June 5, 2008 (the "Sanction Order"), the steps and procedures to pay all "Interest Entitlements" based on the "Series Surplus" (as defined and pursuant to the procedures described in the Eighteenth Report and more particularly at paragraphs 48 to 62 thereof under the heading "Proposed Allocation and Distribution of Interest Entitlement") and the transactions contemplated therein (all as described in the Eighteenth Report and hereinafter referred to as the "Interest Payment Transactions") are hereby approved, and the parties thereto, including, without limitation, the Monitor, the ~~Respondents, the Financial Services Agents, the Administrative Agents, the Issuing and Paying~~ Agents, CDS Clearing and Depository Services Inc. ("CDS Clearing"), the Canadian Depository for Securities Limited and the Depository (CIBC Mellon Trust Company) are hereby authorized, empowered and directed to pay all "Interest Entitlements" based on the "Series Surplus" in respect of the Interest Payment Transactions and are further authorized, empowered and directed to take any other actions as are reasonable or necessary to conclude the Interest Payment Transactions.

TRANSFER OF ASSETS TO THE MAVS AND FLOW OF FUNDS

9. **THIS COURT ORDERS** that, pursuant to Sections 5.2 and 5.3 of the Plan and paragraphs 8 and 11 of the Sanction Order, the steps and procedures to perform the distribution of all of the funds, however held, of the ABCP Conduits and the Satellite Trusts and the transfer of the remaining assets of, and the assumption of certain liabilities of, the ABCP Conduits and the Satellite Trusts (as described in the Eighteenth Report and more particularly at paragraphs 81

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to 125 thereof under the headings "Transfer of Assets to the MAVs" and "Flow of Funds"), and the transactions contemplated in the Eighteenth Report and more particularly under the related redemption agreements, transfer agreements, acknowledgements, undertakings, side letters, directions and resolutions (collectively, the "Transfer Documents" and all as described in the Eighteenth Report and hereinafter referred to as the "Transfer of Assets and Flow of Funds Transactions") are hereby approved.

10. **THIS COURT ORDERS AND DECLARES** that the parties to the Transfer Documents and the Transfer of Assets and Flow of Funds Transactions, as the case may be, are hereby authorized and directed to (i) enter into, implement and complete the Transfer Documents and ~~the Transfer of Assets and Flow of Funds Transactions, including without limitation, the specific~~ transactions referenced in paragraph 13 of this Order, each with any such alterations, amendments, deletions and additions as the parties thereto may agree and (ii) execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Transfer Documents and the Transfer of Assets and Flow of Funds Transactions as are reasonable or necessary to conclude the transactions contemplated by the Transfer Documents and the Transfer of Assets and Flow of Funds Transactions, and to take such steps as are necessary or incidental for the completion thereof.

11. **THIS COURT ORDERS AND DECLARES** that Borden Ladner Gervais LLP ("BLG"), being the Monitor's counsel, are hereby authorized and directed to enter into Depository and Custodial Services Agreements with NATCAN Trust Company (in the form appended to the Eighteenth Report at Appendix "V") to open accounts (as listed, but not limited to, the accounts set out in Appendix "G" to the Nineteenth Report) to deposit cash or hold securities of the ABCP Conduits and the Satellite Trusts in trust for the Monitor in accordance

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with this Order and the transactions described under the headings Transfer of Assets to the MAVs and Flow of Funds in the Eighteenth Report (the "Implementation Trust Accounts"), and the Monitor is hereby authorized and directed to deposit all assets of the ABCP Conduits or the Satellite Trusts to be received by the Monitor under the Plan, the Initial Order, this Order or further Order of this Court, in the Implementation Trust Accounts.

12. **THIS COURT ORDERS AND DECLARES** that BLG is authorized and directed to effect transactions in the Implementation Trust Accounts or transfers to and/or from the Implementation Trust Accounts only upon receipt of written instructions from the Monitor's duly authorized representatives.

13. **THIS COURT ORDERS AND DECLARES** that, in furtherance of the Transfer of Assets and Flow of Funds Transactions hereby approved and without limiting paragraph 9 of this Order, the following specific transactions, each of which forms part of the Transfer of Assets and Flow of Funds Transactions, are hereby approved, authorized, directed and ordered by this Court:

- (a) the deposit with NATCAN Trust Company on the Plan Implementation Date, for deposit into the Implementation Trust Accounts, of any and all funds of the ABCP Conduits and the Satellite Trusts (other than (i) funds related to principal reconciled for the period ending on August 31, 2008 to be transferred directly to the MAVs (the "Reconciled Principal Cash Amounts"), (ii) funds related to the first payment of Interest Entitlement reconciled for the period ending on August 31, 2008 to be deposited directly with CDS Clearing (the "Reconciled Interest Entitlements") or (iii) funds referenced in subparagraphs (d) to (l) hereof);

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- (b) the transfer and deposit by the ABCP Conduits and the Specified Satellite Trusts, either directly or through their authorized agents, on the Plan Implementation Date, of the Reconciled Principal Cash Amounts to the MAVs;
 - (c) the deposit by the ABCP Conduits and the Specified Satellite Trusts, either directly or through their authorized agents, on the Plan Implementation Date, of the Reconciled Interest Entitlements with CDS Clearing;
 - (d) the payment by the ABCP Conduits and the Specified Satellite Trusts, either directly or through their authorized agents, on the Plan Implementation Date, of all of their respective unpaid fees and expenses;
-
- (e) the repayment by the relevant ABCP Conduits, either directly or through their authorized agents, prior to the Plan Implementation Date, of approximately \$25,100,000 to the PSF Noteholders (as defined and as discussed in the Eighteenth Report at paragraph 91 thereof);
 - (f) the payment by the relevant ABCP Conduits, either directly or through their authorized agents, prior to the Plan Implementation Date, of the amount of approximately \$11,100,000 to the GD Trusts in connection with the restructuring of the GD Swaps (as defined and as discussed in the Eighteenth Report at paragraph 92 thereof);
 - (g) the payment by the relevant ABCP Conduits, either directly or through their authorized agents, prior to the Plan Implementation Date, of approximately \$4,200,000 to the QSPE-XCD Trust for reimbursement of the excess interest

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payments made by the QSPE-XCD Trust (as defined and as discussed in the Eighteenth Report at paragraph 93 thereof and the Eighteenth Report Supplement at paragraph 8 thereof);

- (h) the payment by the relevant ABCP Conduits, either directly or through their authorized agents, prior to the Plan Implementation Date, of the Reserve Amounts set forth in paragraphs 94 to 100 of the Eighteenth Report (including, without limitation, amounts in respect of the Coventree Residual Notes);
- (i) the deposit by the Monitor, as settlor, from the Implementation Trust Accounts, on the Plan Implementation Date, of the aggregate sum of \$5,500,000 into the Existing Issuer Trustee Reserve Account (as defined and discussed in the Eighteenth Report at paragraphs 117 to 119 thereof);
- (j) the deposit by the relevant ABCP Conduits, either directly or through their authorized agents, on the Plan Implementation Date, of the aggregate sum of \$5,000,000 into the designated trust account of the MAVs for the TAO indemnity (as discussed in the Eighteenth Report at paragraph 120 thereof);
- (k) the deposit by the relevant ABCP Conduits, either directly or through their authorized agents, on the Plan Implementation Date, of the aggregate sum of \$5,000,000 into the designated trust account of the MAVs for the Newshore indemnity (as discussed in the Eighteenth Report at paragraph 120 thereof);
- (l) the deposit by the Monitor, on the Plan Implementation Date, from the Implementation Trust Accounts, of the aggregate sum of \$5,000,000 into the

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designated trust account of the MAVs for the BlackRock Tax Reserve (as defined and discussed in Part IV of the Nineteenth Report);

- (m) the transfer by the ABCP Conduits and the Specified Satellite Trusts, either directly or through their authorized agents, on the Plan Implementation Date, of certain assets (other than the funds referenced in subparagraph (a) to (l) hereof, the Accrued Income Entitlements (as defined below) and any QST Refunds (as defined below)) to the MAVs and the assumption by the MAVs of certain specified liabilities pursuant to the terms of the Plan and the Transfer of Assets and Flow of Funds Transactions;

-
- (n) the deposit with NATCAN Trust Company after the Plan Implementation Date, for deposit into the Implementation Trust Accounts, of any and all funds received directly or indirectly by the ABCP Conduits or the Satellite Trusts, their respective ABCP Sponsors or authorized agents, as the case may be, or the MAVs on account of accrued income entitlements of the ABCP Conduits or the Satellite Trusts that are, or are derived from, income earned up to the time immediately prior to the Plan Implementation Date (hereinafter referred to collectively as "Accrued Income Entitlements");

- (o) the deposit with NATCAN Trust Company after the Plan Implementation Date, for deposit into the Implementation Trust Accounts, of any and all funds received by the ABCP Conduits, their respective ABCP Sponsors or authorized agents, as the case may be, on account of Quebec Sales Tax ("QST") refunds in respect of

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QST paid by such ABCP Conduits prior to the Plan Implementation Date (the "QST Refunds"); and

- (p) the payment on or after the Plan Implementation Date by the Monitor, from the Implementation Trust Accounts, of all amounts required to be paid from the funds held in such accounts to Noteholders, the MAVs or any other Person entitled thereto under the Transfer of Assets and Flow of Funds Transactions, the Initial CCAA Order, the Plan, this Order, including, in particular, paragraph 41 hereof, or further Order of this Court.

14. **THIS COURT ORDERS AND DECLARES** that upon depositing the Reconciled Interest Entitlements with CDS Clearing, as required by subparagraph 13(c) of this Order, the ABCP Conduits shall be and be deemed to be fully discharged of such portion of the Implementation Liabilities (as such term is defined in the form of Transfer Agreement for the Conduits appended to the Eighteenth Report at Appendix "O") equal to the Reconciled Interest Entitlements; and that, upon the satisfaction of all remaining Interest Entitlements after the Plan Implementation Date from the Implementation Trust Accounts, the ABCP Conduits shall be and be deemed to be fully discharged of such portion of the Implementation Liabilities to Noteholders equal to the balance of the Interest Entitlements.

15. **THIS COURT ORDERS AND DECLARES** that the Monitor shall have a charge on the assets of the MAVs, to the extent of the Accrued Income Entitlements, which charge (the "Monitor's Accrued Income Charge") shall be deemed to be released upon the filing of the Monitor's Post-Implementation Trust Termination Certificates (defined below) for the ABCP Conduits and their Specified Satellite Trusts (if any).

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16. **THIS COURT ORDERS AND DECLARES** that notwithstanding any banking or management of account resolution governing the bank accounts or the custodian accounts of the ABCP Conduits and the Specified Satellite Trusts, the Persons identified in Appendix “U” to the Eighteenth Report (the “Authorized Signatories”) are hereby expressly authorized and directed to:

- (a) issue transfer instructions to the banks and/or custodians where funds, securities and instruments are held for the ABCP Conduits and the Specified Satellite Trusts on behalf of the Administrative Agents, Financial Services Agents or ABCP Sponsors to give effect to the Transfer of Assets and Flow of Funds Transactions;
- (b) sign and deliver such additional related and ancillary documents and assurances useful or necessary to give effect to the Transfer of Assets and Flow of Funds Transactions; and
- (c) sign, at the request of the banks and/or custodians where accounts of the ABCP Conduits or the Specified Satellite Trusts are held, any and all necessary documents to proceed to the closing of any such bank or custodian accounts.

17. **THIS COURT ORDERS AND DECLARES** that, for purposes of the Transfer of Assets and Flow of Funds Transactions, the reduction of the principal amount of the notes issued in Series E of Structured Asset Trust (the “SAT Series E Notes”) occasioned by the termination of the Nemertes III Transaction (as described in the Monitor’s Second Report dated April 11, 2008) is hereby approved, and the principal amount of the SAT Series E Notes is hereby deemed reduced to 77% of the principal amount of such Notes (as per paragraph 33 of the Eighteenth Report) at the particular time set out in the closing steps set forth in Section 5.3 of the Plan, and

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the parties to the SAT Series E Notes issuance are hereby authorized to execute and deliver any such additional, related and ancillary documents or assurances as may otherwise be necessary to give effect to such reduction of the principal amount of the SAT Series E Notes.

ANCILLARY TRUST AMENDMENT TRANSACTIONS

18. **THIS COURT ORDERS AND DECLARES** that the transactions relating to the amendment of beneficiaries and net income definitions in respect of certain ABCP Conduits and Satellite Trusts, the amendment and restatement of the declarations of trusts, base trust agreements, supplements and loan and security agreements in respect of certain Satellite Trusts and the replacement of trustees of certain Satellite Trusts (as described in the Nineteenth Report under the heading "Ancillary Trust Amendment Transactions") and the transactions contemplated therein and under any related amending agreements (collectively, the "Ancillary Trust Amending Agreements" and all as described in the Nineteenth Report and hereinafter referred to as the "Ancillary Trust Amendment Transactions") are hereby approved, and the parties thereto, including, without limitation, the New Issuer Trustee, the New Satellite Trustee, the Respondents, the Existing Note Indenture Trustees, the Asset Providers, the ABCP Sponsors, the Administrative Agents, the Financial Services Agents, Coventree Inc., Coventree Capital Inc., Coventree Administration Corp., Nereus Financial Inc., Securus Capital Corp., BNY Trust Company of Canada, 1462888 Ontario Inc., 1614723 Ontario Inc., 2115921 Ontario Inc., U.S. Bank Trust National Association and CIBC Mellon Trust Company (collectively, the "Ancillary Trust Amendment Parties"), as the case may be, are hereby authorized, empowered and directed to enter into the Ancillary Trust Amending Agreements and are further authorized, empowered and directed to implement and complete the Ancillary Trust Amendment Transactions with any such alterations, amendments, deletions and additions as the parties thereto may agree.

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19. **THIS COURT ORDERS AND DECLARES** that the Ancillary Trust Amendment Parties, as the case may be, are hereby authorized to execute and deliver such additional, related and ancillary documents, agreements, consents, certificates, resolutions, notices and assurances governing or giving effect to the Ancillary Trust Amendment Transactions as are reasonable or necessary to conclude the Ancillary Trust Amendment Transactions and to take such steps as are necessary or incidental for the completion thereof.

20. **THIS COURT ORDERS AND DECLARES** that, in furtherance of Article 5 of the Plan, each of BNY Trust Company of Canada and CIBC Mellon Trust Company, in their respective capacities as issuer trustee and indenture trustee of the Starts Trusts, are hereby ~~authorized, empowered and directed to enter into or execute any such agreements, documents,~~ consents, certificates, notices, resolutions and instruments as are reasonable or necessary to (i) effect the transfer of certain assets from the Starts Trusts to the applicable MAVs, (ii) to effect the termination of the security interest of CIBC Mellon Trust Company, (iii) with respect to STarts (Canada) TrustTM 2005-2, as directed by an Extraordinary Resolution dated on the Plan Implementation Date, to effect the termination of the Credit Default Swap Agreement and related transaction documents dated December 19, 2005 and the novation of the Currency/Interest Rate Swap and Total Return Swap Agreements dated December 19, 2005 and (iv) with respect to STarts (Canada) Trust 2004-2, as directed by an Extraordinary Resolution dated on the Plan Implementation Date, to effect the novation of the Currency/Interest Rate Swap Confirmation, Total Return Swap Confirmation and the Credit Default Swap Agreement and related transaction documents dated February 22, 2005, and that CIBC Mellon Trust Company and BNY Trust Company of Canada shall have no duties, obligations or liabilities to any Person with respect to such agreements, documents, consents, certificates, notices, resolutions and instruments,

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including, without limitation, as a result of having executed same or the consequences thereof.

21. **THIS COURT ORDERS AND DECLARES** that CIBC Mellon Trust Company, in its capacity as indenture trustee, is hereby authorized, empowered and directed to execute each of the Termination Agreements in the forms attached as Schedule “N” to the Plan and that CIBC Mellon Trust Company, in its capacity as indenture trustee, shall have no duties, obligations or liabilities to any Person as a result of having executed such Termination Agreements or the consequences thereof.

TERMINATION OF SPECIFIC SWAP TRANSACTIONS

22. **THIS COURT ORDERS AND DECLARES** that, effective as of the Plan Implementation Date, the swap agreements and futures transactions listed in Schedule “D” to this Order (and as described in the Nineteenth Report under the heading “**Terminated Hedging Transactions**”) entered into by certain of the ABCP Conduits (collectively, the “**Terminated Hedge Transactions**”) are hereby terminated and the parties thereto are released from all duties, obligations and liabilities under such agreements without requirement for any further act, formality or instrument.

TERMINATION OF ABCP CONDUITS AND SPECIFIED SATELLITE TRUSTS

23. **THIS COURT ORDERS AND DECLARES** that, in furtherance of Section 5.2(k) of the Plan, and other than with respect to the agreements listed in Schedule “E” to this Order (including as the same may have been amended, restated, extended, modified, renewed, supplemented or assigned from time to time and which, collectively, are hereinafter referred to as the “**Excluded Agreements**”), as of the Plan Implementation Date, all of the agreements of the

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ABCP Conduits and the Satellite Trusts, including without limitation all of the agreements in Schedule "F" to this Order (including as the same may have been amended, restated, extended, modified, renewed, supplemented or assigned from time to time and which, collectively, are hereinafter referred to as the "Terminated Agreements"), are hereby terminated and the parties thereto are released from all duties, obligations and liabilities under such agreements (except as otherwise specifically provided under the Plan, the Transfer of Assets and Flow of Funds Transactions or this Order) without requirement for any further act, formality or instrument and all security granted pursuant to the terms thereof or by any agreement, document, hypothec or instrument executed or delivered in connection therewith in favour of the Existing Note Indenture Trustees (collectively, the "Security"), as the case may be, is hereby released as of the Plan Implementation Date without requirement for any further act, formality or instrument.

24. **THIS COURT ORDERS AND DECLARES** that, as of the Plan Implementation Date, each of the Existing Note Indenture Trustees and the Respondents shall be released of any duties, obligations or liabilities as trustees pursuant to or in respect of any of the trust indenture agreements and supplements thereto listed in Schedule "F" to this Order (collectively, the "ABCP Indentures") (including, without limitation, any obligation to prepare audited financial statements for the financial years ending 2007 and 2008 in respect of any of the ABCP Conduits) and any agreement, document, hypothec or instrument executed or delivered in connection with the ABCP Indentures, and shall have no further duties, obligations or liabilities to any Person pursuant to or in respect of any of the ABCP Indentures and any agreement, document, hypothec or instrument executed or delivered in connection with the ABCP Indentures.

25. **THIS COURT ORDERS AND DECLARES** that, in respect of each of the ABCP Indentures to which it is a party, each of the Existing Note Indenture Trustees and the

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Respondents are hereby authorized and directed, notwithstanding any term, condition or provision of the ABCP Indentures or any agreement, document, hypothec or instrument executed or delivered in connection therewith, to execute, effective as of the Plan Implementation Date, one or more discharges of all Security and any agreement, document, hypothec or instrument executed or delivered in connection therewith in order to give effect to the termination and release contemplated by this Order, and, as of the Plan Implementation Date, each of the Existing Note Indenture Trustees, the Respondents and the Original Issuer Trustees shall have no duty, obligation or liability to any Person in respect of the Security, the obligations secured thereby or any agreement, document, hypothec or instrument executed or delivered in connection therewith, or in respect of any discharges of Security or any other agreement, document, hypothec or instrument executed or delivered in connection therewith.

26. **THIS COURT ORDERS AND DECLARES** that, upon the occurrence of the Plan Implementation Date, the Issuing and Paying Agents are hereby authorized and directed to take any action or step or to execute any agreement, document or instrument reasonable or necessary to affect the termination and cancellation of the notes issued under the ABCP Indentures in respect of the Affected ABCP.

27. **THIS COURT ORDERS AND DECLARES** that the parties to the Transition Services Agreements are authorized and directed to enter into and perform their respective duties under the Transition Services Agreements, and shall incur no liability for any action taken or omitted to be taken under the terms of the Transition Services Agreements or as a result of carrying out and performing their respective duties under and in accordance with the Transition Services Agreements, save and except, in each case, for any gross negligence or wilful misconduct on their part; provided that, notwithstanding the foregoing, under no circumstances shall any of the

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parties to any Transition Services Agreement, other than the MAVs, bear any liability for any Existing Tax Claims.

28. THIS COURT ORDERS AND DECLARES that:

(a) upon being advised by the applicable Sponsor and being satisfied that, as ordered by paragraph 13(a) of this Order, all remaining funds (other than the Reconciled Principal Cash Amounts and the Reconciled Interest Entitlements) in the bank accounts managed and administered for the benefit of an ABCP Conduit and its Satellite Trusts (if any) have been deposited with the Monitor;

(b) upon being advised by the applicable Sponsor and being satisfied that, as ordered by paragraph 13(b) of this Order, all Reconciled Principal Cash Amounts have been transferred to the MAVs;

(c) upon being advised by the applicable Sponsor and being satisfied that, as ordered by paragraph 13(c) of this Order, all Reconciled Interest Entitlements have been deposited with CDS Clearing;

(d) upon being advised by the applicable Sponsor and being satisfied that all of the assets of the ABCP Conduits and the Specified Satellite Trusts listed in Appendix "S" to the Eighteenth Report have been transferred to the MAVs;

(e) upon being advised by the Administrator and being satisfied that the MAVs have received from the ABCP Conduits and the Specified Satellite Trusts all of the assets listed in Appendix "S" to the Eighteenth Report;

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- (f) upon satisfaction of any and all remaining Interest Entitlements as determined and distributed pursuant to the procedures approved by this Order and any further Order; and
- (g) upon satisfaction of any and all other Implementation Liabilities,

the Monitor may file a certificate substantially in the form of Schedule "G" to this Order (the "Monitor's Post-Implementation Trust Termination Certificate") with this Court in respect of each such ABCP Conduit and its Specified Satellite Trusts (if any), as the case may be (and either individually or collectively), and provide a copy of each such executed Monitor's Post-Implementation Trust Termination Certificate to the applicable trustees of the ABCP Conduits and Specified Satellite Trusts.

29. **THIS COURT ORDERS AND DECLARES** that, pursuant to Section 5.2(k) of the Plan, effective immediately upon the filing of a Monitor's Post-Implementation Trust Termination Certificate with this Court, the ABCP Conduits and Specified Satellite Trusts that are the subject matter of such Monitor's Post-Implementation Trust Termination Certificate and any applicable declarations of trust, settlement deeds, base trust agreements not otherwise being amended and restated on the Plan Implementation Date and series supplements supplemental to base trust agreements relating to such ABCP Conduits and Specified Satellite Trusts (including as the same may have been amended, restated, extended, modified, renewed, supplemented or assigned from time to time) shall be terminated without requirement for any further act, formality or instrument, and are hereby deemed terminated effective as of the time of filing of such Monitor's Post-Implementation Trust Termination Certificate, and the respective Respondents and trustees of the Specified Satellite Trusts, as the case may be, are hereby

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released from all duties, obligations and liabilities under such declarations, deeds, agreements or supplements (except as otherwise specifically provided under the Plan) and are authorized and directed to forthwith execute and deliver any applicable notices, documents, instruments, and assurances that they consider necessary in relation to the terminations effected hereby.

30. **THIS COURT ORDERS AND DECLARES** that, upon the filing of a Monitor's Post-Implementation Trust Termination Certificate with respect to a particular ABCP Conduit or Specified Satellite Trust, any and all remaining bank and custodian accounts of such ABCP Conduit or Specified Satellite Trust shall be closed.

DIRECTIONS AND AUTHORIZATIONS

31. **THIS COURT ORDERS AND DECLARES** that any Person directed or authorized pursuant to this Order, the Plan or the Sanction Order to take any action or step or to execute any agreement, document or instrument shall incur no liability as a result of the carrying out of such action or step or executing any such agreement, document or instrument, save and except for any gross negligence or wilful misconduct on its part; provided that nothing herein shall relieve any party from its obligations specifically assumed or undertaken pursuant to any such action, step, agreement, document or instrument.

APPROVAL AND AUTHORIZATION OF THE MONITOR'S ACTIVITIES

32. **THIS COURT ORDERS AND DECLARES** that the Reports of the Monitor and the Schedules and Appendices thereto, including without limitation the Eighteenth Report, the Eighteenth Report Supplement and the Nineteenth Report and the respective Schedules and Appendices thereto, and the activities of the Monitor referred to therein and contemplated

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thereby are hereby approved.

33. **THIS COURT ORDERS AND DECLARES** that any Person (including, without limitation, the Monitor) directed or authorized pursuant to this Order, the Plan or the Sanction Order, to take any action or step or to execute and deliver any agreement, document or instrument, may rely on the information provided in the Eighteenth Report, the Eighteenth Report Supplement and the Nineteenth Report (and the respective Schedules and Appendices thereto) in taking any such action or step or in executing and delivering any such agreement, document or instrument, and shall incur no liability as a result of any such reliance, including without limitation, in the event that any such information may be incorrect or incomplete.

34. **THIS COURT ORDERS AND DECLARES** that the Administrator, in its capacity as administrator and manager of the MAVs and in its other capacities under agreements to be entered into in connection with the Plan, and any affiliates of the Administrator working with the Administrator in such capacities, may rely on the information provided in Reports of the Monitor filed from time to time with this Court (including, without limitation, the Eighteenth Report, the Eighteenth Report Supplement and the Nineteenth Report (and the respective Schedules and Appendices thereto)), and shall incur no liability as a result of such reliance, including without limitation, in the event that any such information may be incorrect or incomplete.

35. **THIS COURT ORDERS AND DECLARES** that the form of the Monitor's certificate attached hereto as Schedule "G" (the "Monitor's Post-Implementation Trust Termination Certificate"), which shall be filed with this Court pursuant to the provisions of this Order, is hereby approved.

36. **THIS COURT ORDERS AND DECLARES** that the form of the Monitor's certificate

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attached hereto as Schedule "H" (the "Monitor's Plan Implementation Certificate"), which shall be filed with this Court as contemplated by and pursuant to Section 8.3 of the Plan, is hereby approved.

37. **THIS COURT ORDERS AND DECLARES** that the Monitor is authorized and directed to deposit any funds and instruments to be received by the Monitor pursuant to the provisions of this Order or the transaction contemplated and approved by this Order in trust in the Implementation Trust Accounts opened by BLG with NATCAN Trust Company, and the Monitor, BLG and NATCAN Trust Company shall have no obligation to invest the funds and instruments in the Implementation Trust Accounts to earn a return on the said funds and/or instruments.

38. **THIS COURT ORDERS AND DECLARES** that, notwithstanding paragraph 31 hereof, the Monitor and its counsel, BLG, shall incur no liability or obligation in opening, administering and otherwise dealing with the Implementation Trust Accounts and their content (including, without limitation, for (i) any failure of the financial institution holding the Implementation Trust Accounts to produce the funds or instruments received to the Monitor or its counsel, BLG, upon demand therefor or (ii) any shortfall in the transfer of assets from the ABCP Conduits or the Satellite Trusts to the MAVs, CDS Clearing or the Implementation Trusts Accounts), save and except for any gross negligence or wilful misconduct on their part.

39. **THIS COURT ORDERS AND DECLARES** that NATCAN Trust Company shall incur no liability or obligation as a result of the management of the Implementation Trust Accounts, save and except for any gross negligence or wilful misconduct on its part.

40. **THIS COURT ORDERS AND DECLARES** that the terms of the Existing Issuer

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Trustee Trust Agreement (as described in paragraphs 117 to 119 of the Eighteenth Report) and the transactions contemplated therein are hereby approved, and the Monitor and the other parties thereto are hereby authorized, empowered and directed to enter into the Existing Issuer Trustee Trust Agreement and to complete the transactions contemplated therein with such alterations, amendments, deletions and additions as the parties thereto may agree or are authorized by the Court.

41. **THIS COURT ORDERS AND DECLARES** that, on and after the Plan Implementation Date, and as contemplated by and pursuant to Section 6.3 or 6.4 of the Plan, the terms of this Order or any other Order of this Court, the Monitor is hereby authorized and directed to:

-
- (a) allocate the professional, administrative and restructuring expenses among the ABCP Conduits on a series by series pro rata basis based on the total Face Amount of each series of Affected ABCP (except in respect of the sub-notes issued in Series B and C of Aurora Trust and Series B and D of Rocket Trust);
 - (b) receive funds directed to it and/or collect funds from the ABCP Conduits or the Satellite Trusts, either directly or through their Sponsor or agents, for the purpose of paying and/or reserving for future payment of fees and expenses contemplated in this paragraph 41;
 - (c) pay the professional, administrative and restructuring expenses to the parties entitled thereto under Section 6.3 or 6.4 of the Plan from the Implementation Trust Accounts;

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- (d) pay the agreed-upon fees and expenses in respect of the termination and wind-up of the ABCP Conduits and Specified Satellite Trusts in accordance with the Transition Services Agreements;
- (e) remit to the Receiver General or other applicable taxing authority, from the Implementation Trust Accounts, any amounts indicated by the tax returns prepared by the Sponsors pursuant to the Transition Services Agreements as being due and payable in respect of Existing Tax Claims, provided that, for greater certainty, the Monitor shall have no obligation to pay any amount from the Implementation Trust Accounts to any taxing authority other than the amounts indicated on said ~~tax returns, and shall not be required to obtain a clearance certificate from any~~ taxing authority before making any other payment authorized by this Order;
- (f) pay from the Implementation Trust Accounts any amounts due to the Receiver General or other applicable taxing authority for the period up to and including December 31, 2008 in respect of Existing Tax Claims;
- (g) pay from the Implementation Trust Accounts all amounts due to Noteholders, the MAVs or any other Person entitled to payment from funds held by the Monitor under the Initial CCAA Order, the Plan or this Order;
- (h) pay, from any corresponding Accrued Income Entitlements deposited into the Implementation Trust Accounts after the Plan Implementation Date pursuant to paragraph 13(n) of this Order, any accrued and unpaid amounts due to Coventree as program fees under the whole loan programs for the period up to the Plan Implementation Date;

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- (i) make any other transfers or payments contemplated by the Transfer of Assets and Flow of Funds Transactions hereby approved, including, without limitation, pursuant to the acknowledgements, undertakings and directions delivered to the Monitor by the ABCP Conduits in connection with the implementation of the Plan; and
- (j) make any other transfers or payments ordered by this Court.

42. **THIS COURT ORDERS AND DECLARES** that, as discussed in paragraphs 122 and 123 of the Eighteenth Report, and under Part IV of the Nineteenth Report, the Monitor is hereby authorized to, on the Plan Implementation Date, use funds available in the Implementation Trust Accounts to pay (i) the first instalments of the fees and expenses of the new service providers for the MAVs (due in advance for each month or quarter, as the case may be, with respect to each such service provider) (the "New Service Providers Fees") and (ii) any unpaid, reasonable and documented fees, disbursements and other charges due under section 9.3(a) of the MAV2 Margin Funding Facility Agreement (the "MFF Costs"), provided that:

- (a) funds used by the Monitor on the Plan Implementation Date to pay (i) the New Service Provider Fees during the first payment period (whether monthly or quarterly, as the case may be) and (ii) any MFF Costs (collectively, the "Borrowed Funds") shall be borrowed from the Implementation Trust Accounts based on the expected initial balances of those accounts after the transfers set out in the Flow of Funds Schedule to the Eighteenth Report Supplement (Appendix "B" thereto);
- (b) the Borrowed Funds are to be reimbursed by the MAVs to the Implementation Trust Accounts on the initial "Payment Date" as "Other Administrative Expenses"

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(as such terms are defined in the Omnibus Agreements, the IA Tracking Note Trust Indentures and the MAV3 Tracking Note Trust Indenture) following the Plan Implementation Date, and to the extent not reimbursed in full on such initial "Payment Date", the remainder of any such Borrowed Funds to be reimbursed as "Other Administrative Expenses" on each subsequent "Payment Date" until repaid in full;

- (c) the Monitor shall have a charge on the assets of the MAVs to the extent of any outstanding amount of Borrowed Funds; and
- (d) if the reconciliation of the funds transferred to the Implementation Trust Accounts described in paragraph 104 of the Eighteenth Report is completed before repayment of the Borrowed Funds by the MAVs, the Monitor shall set off any outstanding amount of Borrowed Funds against any sums owed to the MAVs after the Plan Implementation Date.

43. **THIS COURT ORDERS** the Satellite Trust Parties to grant access to their books and records and custodian accounts to allow the Monitor to monitor the Satellite Trust Parties' bank accounts and to receive from the Satellite Trust Parties any amount owed to the ABCP Conduits.

DISCHARGE OF MONITOR

44. **THIS COURT ORDERS** that, notwithstanding paragraph 22 of the Sanction Order, the Monitor shall be discharged and released and shall have no further obligations or responsibilities, and shall file the certificate of discharge contemplated by paragraph 23 of the Sanction Order once the Monitor has completed its duties under the Plan and this Order, and under any further

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Order of this Court, in order to implement and give effect to the Plan.

REVIEWABLE TRANSACTIONS AND OTHER LEGISLATION

45. **THIS COURT ORDERS AND DECLARES** that, notwithstanding:

- (a) the pendency of the CCAA Proceedings and the declarations of insolvency made in the CCAA Proceedings; and
- (b) the provisions of any federal or provincial law,

the transactions contemplated in the Plan, and any action taken in connection therewith, including, without limitation, under this Order, shall not be void or voidable and do not constitute nor shall they be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial law, and the transactions contemplated in the Plan, and any action taken in connection therewith, do not constitute conduct meriting an oppression remedy and shall be binding on a interim receiver, receiver or trustee in bankruptcy appointed in respect of any of the Respondents or trustees of the Satellite Trusts.

46. **THIS COURT ORDERS AND DECLARES** that the *Bulk Sales Act* (Ontario), as amended, and any other legislation affecting sales in bulk in all jurisdictions, do not apply to the transactions contemplated in the Plan, and any action taken in connection therewith, including, without limitation, under this Order, and such transactions may be completed without compliance with: (a) the provisions of Part V of the *Personal Property Security Act* (Ontario), as amended, and any other similar provisions in other legislation affecting personal property security in all jurisdictions; and (b) Section 244 of the *Bankruptcy and Insolvency Act* (Canada),

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as amended.

47. **THIS COURT ORDERS AND DECLARES** that any distributions under the Plan and this Order shall not constitute a “distribution” for the purposes of Section 159 of the *Income Tax Act* (Canada), as amended, Section 270 of the *Excise Tax Act* (Canada), as amended, Section 107 of the *Corporations Tax Act* (Ontario), as amended, and Section 14 of *An Act Respecting the Ministère du Revenu*, R.S.Q. chap. M-31, as amended, and any Person in making any such payments is not “distributing”, nor shall be considered to have “distributed”, such funds, and shall not incur any liability under the above-mentioned statutes for making any payments ordered and is hereby forever released, remised and discharged from any claims against it under Section 159 of the *Income Tax Act* (Canada), as amended, Section 270 of the *Excise Tax Act* (Canada), as amended, Section 107 of the *Corporations Tax Act* (Ontario), as amended, and Section 14 of *An Act Respecting the Ministère du Revenu*, R.S.Q. chap. M-31, as amended.

INITIAL CCAA ORDER AND OTHER ORDERS

48. **THIS COURT ORDERS AND DECLARES** that:

- (a) notwithstanding paragraph 27 of the Sanction Order, the CCAA Charges created under the Initial CCAA Order, namely, the CCAA Professionals Charge, the Administration Charge, and the Directors’ Charge shall each constitute a charge on the Implementation Trust Accounts and shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and hypothecs, statutory or otherwise (collectively, “Encumbrances”) in favour of any Person and all relevant terms of the Initial CCAA Order, including Sections 39 to 43 thereof shall apply to the CCAA Charges on the Implementation Trust Accounts *mutatis mutandis*;

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- (b) in addition to the rights and protections afforded to the Monitor under the CCAA, the Orders rendered in this matter, including the Initial CCAA Order, or as an officer of this Court, and notwithstanding paragraph 31 hereof, the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA, the Initial CCAA Order or any applicable legislation; and
- (c) no action or other proceeding shall be commenced against the Monitor or its counsel, BLG, or NATCAN Trust Company, in respect of any of the provisions of ~~this Order or the transactions contemplated hereby, except with prior leave of this~~ Court on at least seven (7) days' notice to the Monitor, BLG or NATCAN Trust Company, as the case may be.

EFFECT, RECOGNITION, ASSISTANCE

49. **THIS COURT ORDERS AND DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may otherwise be enforceable.

50. **THIS COURT REQUESTS** the aid, recognition and assistance of other courts in Canada in accordance with Section 17 of the CCAA and requests that the Federal Court of Canada and the courts and judicial, regulatory and administrative bodies of or by the provinces and territories of Canada, the Parliament of Canada, the United States of America, the states and other subdivisions of the United States of America, including, without limitation, the U.S. District Court, and other nations and states act in aid, recognition and assistance of, and be

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complementary to, this Court in carrying out the terms of this Order and any other Order in this proceeding. The Monitor shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other court and judicial, regulatory and administrative bodies, and take such other steps, in Canada or the United States of America, as may be necessary or advisable to give effect to this Order.

ADVICE AND DIRECTION

51. **THIS COURT ORDERS** that the Applicants may from time to time apply to this Court for advice and directions concerning further amendments to the Plan.

52. **THIS COURT ORDERS** that any of the Monitor, the Applicants, the Respondents or the Administrator may from time to time apply to this Court for advice and directions concerning the implementation of the Plan or the discharge of their rights, powers and duties under the Plan, the transactions and agreements to be entered into in connection with the Plan, or this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 12 2009

PER / PAR:

SCHEDULE "A"

Conduit Trusts

Apollo Trust

Apsley Trust

Aria Trust

Aurora Trust

Comet Trust

Encore Trust

Gemini Trust

Ironstone Trust

MMAI-I Trust

Newshore Canadian Trust

Opus Trust

Planet Trust

Rocket Trust

Selkirk Funding Trust

Silverstone Trust

Slate Trust

Structured Asset Trust

Structured Investment Trust III

Symphony Trust

Whitehall Trust

SCHEDULE "B"

Applicants

ATB Financial
Caisse de Dépôt et Placement du Québec
Canaccord Capital Corporation
Canada Mortgage and Housing Corporation
Canada Post Corporation
Credit Union Central Alberta Limited
Credit Union Central of British Columbia
Credit Union Central of Canada
Credit Union Central of Ontario
Credit Union Central of Saskatchewan
Desjardins Group
Magna International Inc.

National Bank Financial Inc./National Bank Of Canada

NAV Canada
Northwater Capital Management Inc.
Public Sector Pension Investment Board
The Governors of the University of Alberta

SCHEDULE "C"

**SECOND~~THIRD~~ AMENDED PLAN OF COMPROMISE
AND ARRANGEMENT**

**PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)**

INVOLVING:

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.**

Trustees of the Following Conduits:

**APOLLO TRUST
APSLEY TRUST
ARIA TRUST
AURORA TRUST
COMET TRUST
ENCORE TRUST
GEMINI TRUST
IRONSTONE TRUST
MMAI-I TRUST
NEWSHORE CANADIAN TRUST
OPUS TRUST
PLANET TRUST
ROCKET TRUST
SELKIRK FUNDING TRUST
SILVERSTONE TRUST
SLATE TRUST
STRUCTURED ASSET TRUST
STRUCTURED INVESTMENT TRUST III
SYMPHONY TRUST
WHITEHALL TRUST**

June 5, 2008

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SECOND~~THIRD~~ AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA)

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan:

"ABCP" means asset-backed commercial paper;

"ABCP Conduits" means, collectively, the Conduits that are subject to the Plan, namely the following: Apollo Trust, Apsley Trust, Aria Trust, Aurora Trust, Comet Trust, Encore Trust, Gemini Trust, Ironstone Trust, MMAI-I Trust, Newshore Canadian Trust, Opus Trust, Planet Trust, Rocket Trust, Selkirk Funding Trust, Silverstone Trust, Slate Trust, Structured Asset Trust, Structured Investment Trust III, Symphony Trust and Whitehall Trust, unless excluded pursuant to Section 11.2;

"ABCP Dealers" means any dealer, broker, financial institution or intermediary that sold, directly or indirectly, any of the Affected ABCP to one or more Noteholders or that rendered advice with respect to the purchase and sale of Affected ABCP or that purchased any of the Affected ABCP on behalf of its clients;

"ABCP Market Claims" has the meaning set out in Section 10.1;

"ABCP program" means any series or class of ABCP issued by an issuer trustee on behalf of a Conduit;

"ABCP Sponsors" means, collectively, the Sponsors of the ABCP Conduits (and, where applicable such Sponsors' affiliates), namely, Coventree Capital Inc., National Bank Financial Inc., Nereus Financial Inc., Newshore Financial Services Inc., Quanto Financial Corporation and Securitrus Capital Corp.;

"Additional Modifications and Individual Solutions of CDS Term Sheet" means that certain term sheet attached hereto as Schedule "M" setting forth the material terms of certain specific, additional agreements for the restructuring of the Credit Default Swaps listed therein among the parties thereto;

"Administrative Agents" means, collectively, the entities that administer the ABCP Conduits and their respective assets as agents for the Respondents;

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"Administration and Management Agreement~~Agreements~~" means the ~~agreement~~agreements between each of the MAVs and the Asset Manager~~Administrator~~ relating to the administration of the MAVs, ~~the material terms of which are described in~~ the forms attached as Schedule "J";

"Administrator" means BlackRock (Institutional) Canada Ltd., in its capacity as administrator and asset manager under the Administration and Management Agreements, and its successors and permitted assigns in such capacity;

"Affected ABCP" means the asset-backed commercial paper debt obligations of the CCAA Parties relating to the ABCP Conduits outstanding as of the Record Date, together with, where applicable, their Extendible Notes, Floating Rate Notes, Liquidity Notes and Subordinated ABCP, of the Series identified on Schedule "A", unless excluded pursuant to Section 11.2;

"Affected ABCP Credit Default Swaps" means the Credit Default Swaps associated with certain of the Affected ABCP, as listed in Appendix A to the Information Statement;

"affiliate" has the meaning ascribed to it in the National Instrument 45-106 – *Prospectus and Registration Exemptions of the Canadian Securities Administrators*;

~~**"Applicable Law"** means any Canadian federal, provincial, municipal, local or foreign statute, act, law, ordinance, regulation, rule, code, order, decree, judgment, policy, other requirement or rule of law, including the common law and its principles;~~

"Ancillary Transaction Documents" means any and all documents not otherwise identified as Approved Agreements but that are delivered on implementation of this Plan and listed in the certificate to be filed by the Monitor pursuant to Section 8.3 of this Plan;

"Applicants" means, collectively, Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canaccord Capital Corporation, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., National Bank of Canada/National Bank Financial Inc., Nav~~NAV~~ Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board and The Governors of University of Alberta;

"Approved Agreements" means, collectively, the following documents: (i) the Declarations of Trust; (ii) the Administration and Management Agreements; (iii) the Newshore AMA; (iv) the Tao AMA; (v) the Margin Funding Facility Agreements; (ivvi) the Omnibus Agreements; (vii) the CIBC Omnibus Agreements; (viii) the Master Security Agreements; (vix) the CDS Restructuring Documents; (viix) the Traditional AssetCMO Co-Ownership Agreement and MCAP Co-Ownership Agreement; (xi) the RACSAs; (viiiixii) the Additional Modifications and Individual Solutions of CDS Term Sheet; (ixxiii) the GD Swap Restructuring Agreements; (xxiv) the Trust Indentures; and (xixv) the Master Release Agreement; (xvi) the Existing Indemnity and Tax Claims Protocol; (xvii) the Transition Services Agreements; and (xviii) the Senior Funding Term

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Sheet; and, for the purposes of Sections 9.3, 10.1 and 10.2 only, the Ancillary Transaction Documents and the Traditional Asset Agreements;

"asset-backed commercial paper" means commercial paper secured by financial assets, such as pools of mortgages or credit card receivables;

"Asset Manager" means ~~BlackRock (Institutional) Canada Ltd. or an affiliate;~~

"Asset Originators" means the entities that provide, or issue, as the case may be, the assets pursuant to the securitization documents entered into in connection with Traditional Asset programs;

"Asset Providers" means, collectively, the dealer banks, commercial banks and other entities which have entered into Credit Default Swaps with and/or have sold Collateralized Debt Obligation assets to one or more of the ABCP Conduits directly or indirectly through satellite trusts, including: Bank of America, N.A.; Canadian Imperial Bank of Commerce; Citibank, N.A.; Deutsche Bank AG; HSBC Bank USA, National Association; Merrill Lynch International; Royal Bank of Canada; Royal Bank of Scotland; Swiss Re Financial Products Corporation; UBS AG and Wachovia Bank N.A. and their respective affiliates;

"BNY" means BNY Trust Company of Canada;

"BlackRock" means collectively, BlackRock Financial Management, Inc. and BlackRock (Institutional) Canada Ltd.;

"Business Day" means a day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario and, Montreal, Quebec, New York, New York and London, United Kingdom;

"Canadian Banks" means, collectively, Bank of Montréal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank;

"Canada Trust" means The Canada Trust Company;

"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

"CCAA Court" means the Superior Court of Justice (Ontario);

"CCAA Charge" means a Charge created by the Initial CCAA Order;

"CCAA Parties" means, collectively, the Respondents and the ABCP Conduits;

"CCAA Proceedings" means the within proceedings under the CCAA commenced by the Applicants;

"CDS" means Credit Default Swap;

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"CDS Clearing" means CDS Clearing and Depository Services Inc.;

"CDS Restructuring Documents" means each of the new swap documents for the restructured Credit Default Swaps (ISDA Master ISDA Agreement, ISDA Schedules and Confirms Standard Terms Supplements), the forms of which are set out in Schedule "L", and novation confirmations, all to be entered into on the Plan Implementation Date in order to implement the terms of the restructuring of the Affected ABCP Credit Default Swaps as described in the Information Statement (see section entitled "Restructuring of Credit Default Swaps") and further modified in accordance with the Senior Funding Term Sheet;

"Charge" means a valid and enforceable security interest, lien, charge, pledge, encumbrance, mortgage, hypothec, adverse claim, title retention agreement or trust agreement of any nature or kind (but excluding any statutory deemed trust or lien for any taxes or levies), on the property of the ABCP Conduits;

"Class A-2 Notes" means, collectively, the MAV1 Class A-2 Notes and the MAV2 Class A-2 Notes;

"Class C Notes" means, collectively, the MAV1 Class C Note and the MAV2 Class C Note;

"CIBC Omnibus Agreements" means the omnibus agreements among, *inter alios*, Canadian Imperial Bank of Commerce, as an Asset Provider, and each of MAV1 and MAV2, in the forms attached as Schedule "O";

"CMO Co-Ownership Agreement" means the agreement to be entered into between, *inter alios*, MAV1 and MAV2, concerning their respective interests in the CMO Programme, in the form attached as Schedule "K"

"CMO Programme" means the securitization program established under an Amended and Restated Commercial Mortgage Purchase Agreement with The Toronto-Dominion Bank as servicer;

"CMO Related Asset Creditor Security Agreements" means the security agreements relating to the CMO Programme between each of MAV1 and MAV2, respectively, and the collateral agent on behalf of the secured parties named therein, in the forms attached as Schedule "R";

"Collateralized Debt Obligation" means an investment collateralized or referenced to a portfolio of debt;

"commercial paper" means a form of corporate or asset-backed note maturing less than one year from its date of issuance, typically issued at a discount, though sometimes on an interest-bearing basis;

"Computershare" means Computershare Trust Company of Canada;

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"Conduit" means a special purpose entity used in an ABCP program that purchased assets and funded these purchases either through term securitizations or through the issuance of commercial paper;

"Continuing Satellite Trusts" means the following Satellite Trusts: Constellation Certificate Trust (Schooner) Series 2004-1, Constellation Certificate Trust (Rouses Point) Series 2005-1, Constellation Certificate Trust (Rock Island) Series 2004-1, Constellation Certificate Trust (Rock Island II) Series 2005-1, Constellation Certificate Trust (Rock Island VII) Series 2005-1, Constellation Certificate Trust (Rock Island VIII) Series 2006-1, Constellation Certificate Trust (CCIC) Series 2003-1, OSPE-AMC/R Trust, OSPE-XCD Trust, Constellation Certificate Trust (MLFA7) Series 2004-1, Constellation Certificate Trust (MLFA CAN-12) Series 2004-1, Constellation Certificate Trust (STATIC 2006-A) Series 2006-1, Constellation Certificate Trust (TMT 11SL) Series 2005-1, Constellation Certificate Trust (TMT 13SL) Series 2005-1, Constellation Certificate Trust (TMT 2HE) Series 2005-1, Constellation Certificate Trust (STST) Series 2003-1, Constellation Certificate Trust (SLR) Series 2002-1, Constellation Certificate Trust (SLR-A2) Series 2003-1, Constellation Certificate Trust (MLFA) Series 2003-1, Constellation Certificate Trust (RALIOS2) Series 2006-1, Constellation Certificate Trust (ACA) Series 2003-1, Constellation Certificate Trust (Onyx) Series 2005-1, Constellation Certificate Trust (Dekania) Series 2003-1, Securcor-RIO Trust, Constellation Credit Linked Trust (Synremic II) 2006-1, Constellation Credit Linked Trust (Cayman 13) Series 2005-1, Constellation Certificate Trust (ALT 2005-48-T1) Series 2005-1, Constellation Certificate Trust (ALT 2005 65CB) Series 2005-1, Constellation Certificate Trust (RAST 2005-A15) Series 2006-1, Constellation Certificate Trust (RAST 2005-A15) Series 2006-2, Constellation Certificate Trust (TMT 21HE) Series 2004-1, Constellation Certificate Trust (TMT 19HE) Series 2004-1, Constellation Certificate Trust (CCG1) Series 2004-1, Nemertes Credit Linked Certificate Trust (SCT-LSS) Series 2005, Newcov SIV Trust, Newcov Trust (SLR) Series 2002-1, Newcov Trust (FX) Series 2002-1, Constellation Certificate Trust (Solar CCG3) Series 2003-1Q, Constellation Certificate Trust (Solar CCG3) Series 2003-AAA, Constellation Certificate Trust (MLCC) Series 2003-B, Constellation Credit Linked Trust (SYNREMIC) 2005-1 and Constellation Certificate Trust (Targeted) Series 2008-1;

"Coventree" means Coventree Inc. and any affiliates and predecessors thereof;

"CRA" means the Canada Revenue Agency;

"Credit Default Swap" means a form of credit protection, in which one party agrees to compensate the other in the event of a default by a specified entity or in respect of a security for a fee;

"DBRS" means DBRS Limited, a rating agency;

"Declarations of Trust" means, collectively, the MAV1 Declaration of Trust, the MAV2 Declaration of Trust and the MAV3 Declaration of Trust;

"Depository" means CIBC Mellon Trust Company;

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"Effective Time" means the first moment in time on the Plan Implementation Date;

"Exclusively Traditional Assets" means the Traditional Assets that secure a Series of Affected ABCP where that Series of Affected ABCP is secured exclusively by Traditional Assets;

"Existing Indemnity Claims" has the meaning specified in the Existing Indemnity and Tax Claims Protocol;

"Existing Indemnity and Tax Claims Protocol" means the protocol in the form attached as Schedule "I" that governs how the obligation to satisfy (i) Existing Indemnity Claims and (ii) Existing Tax Claims will be allocated among the MAVs;

"Existing Issuer Trustee Trust Agreement" has the meaning specified in the Existing Indemnity and Tax Claims Protocol;

"Existing Note Indenture Trustees" means, collectively, the note indenture trustees under the trust indentures entered into in respect of the ABCP Conduits, namely BNY (as successor to the Trust Company of Bank of Montréal), CIBC Mellon Trust Company, Computershare (as note indenture trustee or as agent for Canada Trust, as the case may be) and Natcan Trust Company with regard to the ABCP Conduits;

"Existing Tax Claims" has the meaning specified in the Existing Indemnity and Tax Claims Protocol;

"Extendible Notes" means ABCP with an initial scheduled maturity, but which may, at the option of the issuer, be extended on the scheduled maturity for some fixed period to a final maturity;

"Face Amount" means the principal or face amount of ABCP due at maturity;

"Financial Services Agents" means, collectively, the entities that provide or cause to be provided financial, originating, structuring and/or analytical services to the ABCP Conduits as agents for the Respondents, including Securitus Capital Corp. (in that capacity for both Selkirk Funding Trust and its sub-trust ~~Satellite Trust~~);

"Floating Rate Note" means a medium or long term debt instrument with a variable interest rate, adjusted periodically and tied to a money-market index;

"Form of Election" means the form of election (printed on yellow paper) included with the Information Statement pursuant to which a Noteholder elects to participate in either MAV1 or MAV2;

"GD Swaps" means the ~~mirrored back-to-back~~ Credit Default Swaps between (i) MMAI-I Trust and Global Diversified Investment Grade Income Trust and Global Diversified Investment Grade Private Trust, and (ii) Silverstone Trust and Global Diversified Investment Grade Income Trust II;

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"GD Swap Restructuring Agreements" means the definitive documentation necessary to give effect to the agreement in principle in the form attached as Schedule "N" for the restructuring of the GD Swaps, ~~the material terms of which are described in Schedule "N";~~

"Hybrid Assets" means a combination of LSS Assets and Traditional Assets;

"IA Tracking Notes" means the notes to be issued by MAV1 and MAV2 on the Plan Implementation Date pursuant to the IA Tracking Note Trust Indentures, ~~the material terms of which are described in Schedule "D";~~

"IA Tracking Note Trust Indentures" means ~~trust indentures of MAV1 and MAV2 dated as of the Plan Implementation Date pursuant to which the IA Tracking Notes will be issued, the material terms of which are described in Schedule "D", collectively, the MAV1 IA Tracking Note Indenture and the MAV2 IA Tracking Note Indenture;~~

"Ineligible Assets" means the assets which have been deemed ineligible for pooling in the MAVs in connection with the Plan by reason of their exposure to U.S. sub-prime mortgages or otherwise;

"Information Statement" means the Information Statement approved by the Meeting Order including the Appendices and Exhibits thereto, ~~the terms of each of which are incorporated herein by reference;~~

"Initial CCAA Order" means the initial order of the CCAA Court dated March 17, 2008, pursuant to which, among other things, the CCAA Court granted a stay of proceedings with respect to the CCAA Parties, as same may be further amended from time to time;

"Investors Committee" means the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper comprised of representatives of the following investors: Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canaccord Capital Corporation, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., National Bank Financial Group, NAV Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board and The Governors of the University of Alberta;

"ISDA" means the International Swaps and Derivatives Association, Inc.;

"Issuing and Paying Agents" means, collectively, the entities that serve as issuing and paying agents for the Respondents and are responsible for the mechanics of delivering ABCP to investors in the ABCP Conduits and making payments thereon;

"JPMorgan" means, collectively, JPMorgan Securities Inc. and JPMorgan Securities Canada Inc., the financial advisor to the Investors Committee;

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"JPMorgan Report" means the JPMorgan Report on Restructuring attached to the Information Statement as Exhibit "D";

"Leveraged Super Senior" means a leveraged form of Synthetic CDO where the amount of notional risk is greater than the amount of collateral securing the swap;

"Liquidity Agreement" means an agreement between an ABCP Conduit or Satellite Trust and a Liquidity Provider that establishes a liquidity facility for an ABCP program;

"Liquidity Notes" means the liquidity pledge bonds issued by Structured Asset Trust and Planet Trust, respectively, which form part of the Affected ABCP;

"Liquidity Providers" means the parties that agreed to provide liquidity funding under the terms of Liquidity Agreements in respect of ABCP programs of Affected ABCP, including: ABN AMRO Bank N.V., Canada Branch; Bank of America, N.A., Canada Branch; Canadian Imperial Bank of Commerce; Citibank Canada; Citibank, N.A.; Danske Bank A/S; Deutsche Bank AG; HSBC Bank Canada; HSBC Bank USA, National Association, Toronto Branch; Merrill Lynch Capital Services, Inc.; Merrill Lynch International; Royal Bank of Canada; Swiss Re Financial Products Corporation; The Bank of Nova Scotia; The Royal Bank of Scotland plc and UBS AG;

"LSS" means Leveraged Super Senior;

"LSS Assets" means assets that are used to support Leveraged Super Senior structures;

"Margin Funding Facility Agreements" means, collectively, the MAV1 Margin Funding Facility Agreement and the MAV2 Margin Funding Facility Agreement;

"Master Release Agreement" means the agreement to be effective on the Plan Implementation Date pursuant to which certain Plan Participants and certain other parties agree to release one another from any and all ABCP Market Claims, subject to the terms and conditions set forth therein, in the form attached as Schedule "S";

"Master Security Agreements" means, collectively, the MAV1 Master Security Agreement and the MAV2 Master Security Agreement;

"MAV1" means the New Issuer Trustee in its capacity as trustee of Master Asset Vehicle I, a trust vehicle to be established under the laws of the Province of Ontario by the MAV1 Declaration of Trust;

"MAV1 Class A-1 Note" means a note to be issued ~~in respect of by~~ MAV1 ~~by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule "B"~~;

"MAV1 Class A-2 Note" means a note to be issued ~~in respect of by~~ MAV1 ~~by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule "B"~~;

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"MAV1 Class B Note" means a note to be issued in respect of by MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule "B";

"MAV1 Class C Note" means a note to be issued in respect of by MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 Trust Indenture, the material terms of which are described in Schedule "B";

"MAV1 Declaration of Trust" means the declaration of trust to be entered into prior to or on the Plan Implementation Date creating MAV1, the material terms of which are described in providing for the establishment of Master Asset Vehicle I as a trust under the laws of the Province of Ontario, in the form attached as Schedule "F";

"MAV1 Eligible" means Affected ABCP backed by Synthetic and Hybrid Assets and in respect of which the Noteholder has elected to participate in MAV1 and has met the eligibility requirements set out in the Information Statement or this Plan;

"MAV1 IA Tracking Note" means an IA Tracking Note to be issued in respect of by MAV1 by the New Issuer Trustee pursuant to the terms of the MAV1 IA Tracking Note Indenture, the material terms of which are described in Schedule "D";

"MAV1 IA Tracking Note Indenture" means the trust indenture to be dated as of the Plan Implementation Date between the New Issuer Trustee MAV1 and the New Indenture Trustee governing the MAV1 IA Tracking Notes, the material terms of which are described in the form attached as Schedule "D";

"MAV1 Margin Funding Facility" means the secured margin funding credit facility to be established in connection with MAV1 on the Plan Implementation Date pursuant to the MAV1 Margin Funding Facility Agreement to be used, if necessary, to fund collateral calls and, termination payments, settlement amounts and other unpaid amounts under ISDA agreements and the related credit support arrangements to the extent not otherwise satisfied through available collateral;

"MAV1 Margin Funding Facility Agreement" means the credit agreement to be entered into as of the Plan Implementation Date creating the MAV1 Margin Funding Facility, the material terms of which are described in the form attached as Schedule "G";

"MAV1 Master Security Agreement" means the security agreement to be entered into by MAV1 as of the Plan Implementation Date, in connection with the MAV1 Margin Funding Facility Agreement, the material terms of which are described in the form attached as Schedule "I";

"MAV1 MFF Lenders" means, collectively, the lenders that are party to the MAV1 Margin Funding Facility Agreement;

"MAV1 Notes" means, collectively, the MAV1 Class A-1 Notes, the MAV1 Class A-2 Notes, the MAV1 Class B Notes and the MAV1 Class C Notes and "MAV1 Note" refers to any one of them;

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"MAV1 Omnibus Agreement" means the agreement between inter alios, the parties to the MAV1 Margin Funding Facility Agreement and certain of the Asset Providers concerning certain intercreditor matters, to be entered into as of the Plan Implementation Date, the material terms of which are described in the form attached as Schedule "H";

"MAV1 Senior Facility" means the senior credit support facility (in a form to be settled on or before the Plan Implementation Date) in the amount of \$1,772,346,712.00 provided to MAV1 pursuant to the terms and conditions set out in the Senior Funding Term Sheet;

"MAV1 Trust Indenture" means the trust indenture to be dated as of the Plan Implementation Date between ~~the New Issuer Trustee~~ MAV1 and the New Indenture Trustee governing among other things, the MAV1 Notes, ~~the material terms of which are described in the form attached as~~ Schedule "B";

"MAVs" means, collectively, MAV1 and MAV2 and MAV3;

"MAV2" means the New Issuer Trustee in its capacity as trustee of Master Asset Vehicle II, ~~a trust vehicle to be established under the laws of the Province of Ontario by the MAV2 Declaration of Trust;~~

~~"MAV2 Class A-1 Note" means a note to be issued in respect of by MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule "C";~~

~~"MAV2 Class A-2 Note" means a note to be issued in respect of by MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule "C";~~

~~"MAV2 Class B Note" means a note to be issued in respect of by MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule "C";~~

~~"MAV2 Class C Note" means a note to be issued in respect of by MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 Trust Indenture, the material terms of which are described in Schedule "C";~~

~~"MAV2 Declaration of Trust" means the declaration of trust to be entered into prior to or on the Plan Implementation Date creating MAV1, the material terms of which are described in providing for the establishment of Master Asset Vehicle II as a trust under the laws of the Province of Ontario, in the form attached as~~ Schedule "F";

~~"MAV2 IA Tracking Note" means an IA Tracking Note to be issued in respect of by MAV2 by the New Issuer Trustee pursuant to the terms of the MAV2 IA Tracking Note Indenture, the material terms of which are described in~~ Schedule "D";

"MAV2 IA Tracking Note Indenture" means the trust indenture to be dated as of the Plan Implementation Date between ~~the New Issuer Trustee~~ MAV2 and the New Indenture Trustee governing the MAV2 IA Tracking Notes, ~~the material terms of which are described in the form attached as~~ Schedule "D";

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"**MAV2 Margin Funding Facility**" means the secured margin funding-credit facility to be established in connection with MAV2 on the Plan Implementation Date pursuant to the MAV2 Margin Funding Facility Agreement to be used, if necessary, to fund collateral calls and, termination payments, settlement amounts and other unpaid amounts under ISDA agreements and the related credit support arrangements to the extent not otherwise satisfied through available collateral;

"**MAV2 Margin Funding Facility Agreement**" means the credit-agreement to be entered into as of the Plan Implementation Date creating the MAV2 Margin Funding Facility, the material terms of which are described in the form attached as Schedule "G";

"**MAV2 Master Security Agreement**" means the security agreement to be entered into by MAV2 as of the Plan Implementation Date, in connection with the MAV2 Margin Funding Facility Agreement, the material terms of which are described in the form attached as Schedule "I";

"**MAV2 MFF Lenders**" means, collectively, the lenders that are party to the MAV2 Margin Funding Facility Agreement;

"**MAV2 Notes**" means, collectively, the MAV2 Class A-1, A-2,1 Notes, MAV2 Class A-2 Notes, MAV2 Class B Notes and MAV2 Class C Notes and "MAV2 Note" refers to one of them;

"**MAV2 Omnibus Agreement**" means the agreement between, inter alios, the parties to the MAV2 Margin Funding Facility Agreement and certain of the Asset Providers concerning certain intercreditor matters, to be entered into as of the Plan Implementation Date, the material terms of which are described in the form attached as Schedule "H";

"**MAV2 Senior Facility**" means the senior credit support facility (in a form to be settled on or before the Plan Implementation Date) in the amount of \$1,677,653,288.00 provided to MAV2 pursuant to the terms and conditions set out in the Senior Funding Term Sheet;

"**MAV2 Trust Indenture**" means the trust indenture to be dated as of the Plan Implementation Date between the ~~New Issuer Trustee~~ MAV2 and the New Indenture Trustee governing, among other things, the MAV2 Notes, the material terms of which are described in the form attached as Schedule "C";

"**MAV3**" means the New Issuer Trustee in its capacity as trustee of Master Asset Vehicle III, a trust vehicle to be established under the laws of the Province of Ontario by the MAV3 Declaration of Trust;

"**MAV3 Declaration of Trust**" means the declaration of trust to be entered into prior to ~~or on the Plan Implementation Date creating MAV3~~, the material terms of which are described in providing for the establishment of Master Asset Vehicle III as a trust under the laws of the Province of Ontario, in the form attached as Schedule "F";

"**MAV3 IA Tracking Notes**" means the notes to be issued by MAV3 ~~on the Plan Implementation Date pursuant to the terms of the MAV3 Tracking Note Trust Indenture~~

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for each separate Ineligible Asset within a Series of Affected ABCP that is backed by Exclusively Traditional Assets, ~~the material terms of which are described in Schedule "E";~~

"MAV3 Notes" means, collectively, the TA Tracking Notes, the MAV3 IA Tracking Notes and the SN Tracking Notes, and "MAV3 Note" refers to one of such TA Tracking Notes, MAV3 IA Tracking Notes or SN Tracking Notes;

~~"MAV3 Tracking Note Trust Indenture" means the trust indenture Traditional and Ineligible Asset Tracking Note Trust Indenture of MAV3 to be dated as of the Plan Implementation Date between the New Issuer Trustee MAV3 and the New Indenture Trustee governing the MAV3 Notes, the material terms of which are described in the form attached as Schedule "E";~~

"MAVs" means, collectively, MAV1, MAV2 and MAV3 and "MAV" refers to one of them;

~~"MCAP Co-Ownership Agreement" means the agreement to be entered into between, inter alios, MAV1 and MAV2, concerning their respective interests in the MCAP Programme, in the form attached as Schedule "K";~~

~~"MCAP Programme" means the securitization programme established by the Third Amended and Restated Commercial Mortgage Purchase Agreement with MCAP Commercial LP as servicer;~~

~~"MCAP Related Asset Creditor Security Agreements" means the security agreements relating to the MCAP Programme between each of MAV1 and MAV2, respectively, and the collateral agent on behalf of the secured parties named therein, in the forms attached as Schedule "R";~~

"Meeting" means a meeting or meetings of the Noteholders to consider and vote on the Plan held pursuant to the Meeting Order and includes any meeting or meetings resulting from the adjournment thereof;

"Meeting Order" means the Order of the CCAA Court dated March 17, 2008, directing the calling and holding of the Meeting;

"MFF Lenders" means, collectively, the MAV1 MFF Lenders and the MAV2 MFF Lenders;

"Monitor" means Ernst & Young Inc., in its capacity as monitor of the CCAA Parties appointed pursuant to the Initial CCAA Order;

"Montreal Trust" means Montreal Trust Company of Canada;

"National PR" means National Public Relations Inc.;

"New Indenture Trustee" means the indenture trustee under the Trust Indentures;

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"New Issuer Trustee" means the issuer trustee under the ~~Trust Indentures and the~~ Declarations of ~~Trusts~~ Trust;

"New Satellite Trustee" means the replacement trustee of the Continuing Satellite Trusts effective as of the Plan Implementation Date and as contemplated in Section 5.3 of this Plan;

"Newshore AMA" means the administration agreement between MAV3 and Newshore Financial Services Inc. to be entered into as of the Plan Implementation Date, in the form attached as Schedule "P";

"Noteholder" means a holder of Affected ABCP on the Record Date, including any holder of a beneficial interest in Affected ABCP;

"Noteholder Claim" means the Face Amount of the Noteholder's holdings of Affected ABCP on the Record Date;

"Noteholder Settlement Claim" means, with respect to a Noteholder's holdings of Affected ABCP, the discount value, in the case of a note issued on a discount basis, and the principal amount in the case of an interest bearing note;

"Omnibus Agreements" means, collectively, the MAV1 Omnibus Agreement and the MAV2 Omnibus Agreement;

"Order" means an order of the CCAA Court in the CCAA Proceedings;

"Original Issuer Trustees" means BNY, Computershare, Metcalfe & Mansfield I Capital ~~Alternative Investments~~ Corp. and Montreal Trust, as former issuer trustees of certain of the ABCP Conduits, and includes Computershare as agent or attorney for Montreal Trust in such capacity, and **"Original Issuer Trustee"** means any one of them;

"Participant" means a participant in the depository system of CDS Clearing;

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, trust, trustee, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other entity howsoever designated or constituted;

"Plan" means this plan of compromise or arrangement and the Schedules hereto, as same may be amended hereafter in accordance with Section 11.1 herein;

"Plan Implementation Date" means the Business Day on which the conditions precedent to implementation of this Plan as set out in Article 8 hereof have been satisfied, fulfilled or waived, as applicable, and the Monitor has completed and filed its certificate in accordance with Section 8.3 of this Plan;

"Plan Notes" means, collectively, the MAV1 Notes, the MAV2 Notes, the IA Tracking Notes and the MAV3 Notes;

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"Plan Participants" means, the Asset Providers, the ABCP Sponsors, the Respondents, the MFF Lenders, the Investors Committee, the Administrative Agents, the Financial Services Agents, BlackRock and the Applicants;

"program" or "programme" means a transaction where a Conduit or Satellite Trust purchases assets;

"Proven Voting Claim" means a Notcholder Claim in respect of which a Voter Identification Form or Voter Confirmation Form has been properly submitted and (a) not objected to by the Monitor or (b) objected to by the Monitor and subsequently (i) finally determined or (ii) accepted for voting purposes in accordance with the provisions of this Plan and the Meeting Order;

"PSF Notes" means the PSF notes issued to National Bank Financial Inc. by Ironstone Trust, MMAI-I Trust and Silverstone Trust and subsequently sold to third parties as described in the Information Statement;

"RACSAs" means the CMO Related Asset Creditor Security Agreements and the MCAP Related Asset Creditor Security Agreements;

"Record Date" means February 29, 2008;

"Relative Contribution Analysis" means the methodology used by JPMorgan for determining the amount and type of Plan Notes to be issued to Noteholders in exchange for each Series of Affected ABCP based upon JPMorgan's indicative asset valuations;

"Released Parties" means, collectively, the Respondents, the ABCP Conduits, the ABCP Sponsors, the Selkirk Sub-Trust Parties, the Satellite Trust Parties, the Asset Providers, the Canadian Banks, the Original Issuer Trustees, the Existing Note Indenture Trustees, the Margin Funding Lenders, the Liquidity Providers, the ABCP Dealers, the Asset Originators, the Noteholders, DBRS, the Applicants, Administrative Agents, the Financial Services Agents, the Issuing and Paying Agents, The Canadian Depository for Securities Limited, CDS Clearing & Depository Services Inc., the members of the Investors Committee, Purdy Crawford, Ernst & Young Inc., in its capacities as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor, JPMorgan, National PR, BlackRock, the New Indenture Trustee, the New Issuer Trustee and Goodmans LLP as well as their respective affiliates, and their respective present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents and assigns, as applicable;

"Respondents" means, collectively, Metcalfe & Mansfield Alternative Investments II Corp., Metcalfe & Mansfield Alternative Investments III Corp., Metcalfe & Mansfield Alternative Investments V Corp., Metcalfe & Mansfield Alternative Investments XI Corp., Metcalfe & Mansfield Alternative Investments XII Corp., 4446372 Canada Inc. and 6932819 Canada Inc.;

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"Sanction Order" means the Order to be sought from the CCAA Court in the CCAA Proceedings sanctioning this Plan dated June 5, 2008, as amended on June 18, 2008;

"Satellite Trust" means a trust created pursuant to a base trust agreement or a declaration of trust in respect of which any of the ABCP Conduits, alone or together with other ABCP Conduits, holds all or substantially all of the beneficial ownership interests or debt interests;

"Satellite Trust Parties" means the Satellite Trusts, their trustees, their administrative agents, their financial services agents and their settlors;

"Satellite Trust Promissory Note" has the meaning given to that term in Section 5.2(c) herein;

"Selkirk Sub-Trust Parties" means, collectively, Coastal Mountain Base Trust Series 2006-1, its issuer trustee 2115921 Ontario Inc. and its financial services agent, Securus Capital Corp.;

"Senior Funding Facilities" means the MAV1 Senior Facility and the MAV2 Senior Facility;

"Senior Funding Term Sheet" means the agreement entitled "Summary of Terms and Conditions for Senior Funding Facilities for MAV1 and MAV2" attached as Schedule "V" and the accompanying cover letter, which terms and conditions shall be set forth in definitive documentation to be entered into on the Plan Implementation Date;

"Series" means, collectively, all of the series of Affected ABCP or any one such Series;

"settlement amount" means the discount value, in the case of a note issued on a discount basis, and the principal amount in the case of an interest bearing note;

"SN Tracking Notes" means the notes to be issued in respect of MAV3 by the New Issuer Trustee, on the Plan Implementation Date, pursuant to the MAV3 Tracking Note Trust Indenture to Noteholders who hold Subordinated ABCP, the material terms of which are described in Schedule "F";

"Specified Satellite Trusts" means the following Satellite Trusts: Constellation Credit Linked Trust (CB LSS-2) Series 2006-1, Constellation Credit Linked Trust (CB LSS) Series 2005-1, Constellation Credit Linked Trust (Super Senior 2) Series 2005-1, Constellation Credit Linked Trust (Shamrock) Series 2005-1, Constellation Credit Linked Trust (CDXLS 1) Series 2006-1, Constellation Credit Linked Trust (PML-M2) Series 2006-1, Constellation Credit Linked Trust (ML LSS) Series 2006-1, Constellation Credit Linked Trust (ML6 L/S) Series 2006-1, Constellation Credit Linked Trust (Banff) Series 2006-1, Constellation Credit Linked Trust (Galibier) Series 2006-1, Constellation Credit Linked Trust (Super Senior 3) Series 2005-1, Constellation Credit Linked Trust (Super Senior 4) Series 2005-1, Constellation Credit Linked Trust (iTraxx 1) Series 2006-1, Constellation Credit Linked Trust (IML-CDS-2) Series 2005-1, Constellation Credit Linked Trust (IML-CDS) Series 2005-1, Constellation Credit Linked Trust (Integrity) Series 2005-1, Constellation Credit Linked Trust (Integrity) Series 2005-2, Constellation

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Credit Linked Trust (ML LSS-2) Series 2006-1, Constellation Credit Linked Trust (Stamford) Series 2006-1, Constellation Credit Linked Trust (MPL-CDN) Series 2006-1, Constellation Credit Linked Trust (MPL-US) Series 2006-1, Constellation Credit Linked Trust (SYNREMIC) Series 2005-1, Nemertes Credit Linked Certificate Trust (MT-LSS) Series 2005, Nemertes Credit Linked Certificate Trust (Commerce-LSS) Series 2005, Nemertes Credit Linked Certificate Trust (CADBANA) Series 2005-1, Nemertes Credit Linked Certificate Trust (EC Super Senior) Series 2005-1, Nemertes Credit Linked Certificate Trust (LSS II) Series 2005, Nemertes Credit Linked Certificate Trust (ML-LSS II) Series 2006, Nemertes Credit Linked Certificate Trust (Morningside) Series 2005, Nemertes Credit Linked Certificate Trust (BCO-LSS) Series 2006, Nemertes Credit Linked Certificate Trust (Citi-LSS) Series 2006, Nemertes Credit Linked Certificate Trust (Commerce-LSS II) Series 2006, Nemertes Credit Linked Certificate Trust (ML-LSS) Series 2006, Nemertes Credit Linked Certificate Trust (ML-LSS IV) Series 2006 and 2006, Coastal Mountain Base Trust Series 2006-1, STarts (Canada) Trust 2004-2 and STarts (Canada) TrustTM 2005-2;

"Sponsor" means, generally, the entity that initiates the establishment of an ABCP program, and the respective Conduit and issuer trustee thereof;

"Starts Note" means a credit-linked note held by an ABCP Conduit in a Starts Trust;

"Starts Trusts" means STarts (Canada) Trust 2004-2 and STarts (Canada) TrustTM 2005-2;

"Subordinated ABCP" means the Series of subordinated notes of certain of the ABCP Conduits that were issued to provide credit enhancement for particular Traditional Assets, being Series B and C of Aurora Trust and Series B and D of Rocket Trust;

"Supplemental Commitments" means, collectively, the additional commitments to provide margin funding under the MAV1 Margin Funding Facility (and in the case of National Bank of Canada, the MAV1 Margin Funding Facility and the MAV2 Margin Funding Facility) in the aggregate of \$1.0 billion provided by the MAV1 MFF Lenders pursuant to the terms and conditions set out in the Senior Funding Term Sheet;

"swap" means a financial agreement under which two parties agree to exchange defined payment streams;

"Synthetic CDO" means a credit derivative, such as a credit default swap, credit linked note or forward contract, that synthetically creates the same economic risks and rewards of owning a CDO;

"Synthetic and Hybrid Assets" means those assets, whether leveraged or unleveraged, securing directly or indirectly a Series of Affected ABCP and which assets are comprised either (a) exclusively of LSS Assets or (b) a combination of LSS Assets and Traditional Assets and including where relevant any unlevered CDS, and in either case, do not include any assets that have been determined to constitute Ineligible Assets;

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"TA Tracking Notes" means the notes (other than the SN Tracking Notes) to be issued in respect of MAV3 by the New Issuer Trustee, on pursuant to the MAV3 Tracking Note Trust Indenture to Noteholders holding Affected ABCP that funded the purchase of Exclusively Traditional Assets (excluding those backed by Ineligible Assets);

"Tao AMA" means the administration agreement between, *inter alios*, Tao Admin Corp. and the MAVs to be entered into as of the Plan Implementation Date, the material terms of which are described in the form attached as Schedule "BQ";

"Targeted Assets" means all of the right, title and interest to the assets forming part of the program governed by the Amended and Restated Master Program Agreement dated March 4, 2005 among Targeted Corporate Consulting Ltd., Targeted Strategies Limited, Concentra Financial Services Association, operating as CUCORP Financial Services, Canadian Western Bank and Rocket Trust, as amended;

"Targeted Certificate" has the meaning given to that term in Section 5.3 herein;

"Targeted Trust" means Constellation Certificate Trust (Targeted) Series 2008-1;

"Tax Act" means the *Income Tax Act* (Canada), as amended;

"Third-Party ABCP" means ABCP issued by Conduits whose Sponsors do not provide liquidity facilities and, for greater certainty, includes the Affected ABCP;

"Tracking Note Trust Indentures" means the MAV1 Tracking Note Indenture and the MAV2 Tracking Note Indenture;

"TRACSA" means the Targeted Related Asset Creditor Security Agreement to be entered into on the Plan Implementation Date;

"Traditional Assets" means those assets directly or indirectly held by the ABCP Conduits in non-synthetic securitization structures;

"Traditional Asset Co-Ownership Agreement" means the co-ownership agreement to be entered into between MAV1 and MAV2 on the Plan Implementation Date, the material terms of which are described in Schedule "K";

"Traditional Asset Agreements" means any and all note indentures, co-ownership agreements, custodial agreements and ancillary documents (including reports and opinions) pursuant to which the underlying Traditional Assets of an ABCP Conduit or Satellite Trust were issued, and all amendments and/or restatements of any of the foregoing;

"Transferred Synthetic and Hybrid Assets" means the Synthetic and Hybrid Assets securing directly or indirectly the Series of Affected ABCP listed in Schedule "A" which will be transferred to MAV1 and MAV2;

"Transition Services Agreements" means the agreements to be entered into on the Plan Implementation Date with each ABCP Sponsor with respect to the termination and wind-

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up of the ABCP Conduits and Specified Satellite Trusts, applicable to such ABCP Sponsor, in the form attached as Schedule "U";

"Trust Indentures" means, collectively, the MAV1 Trust Indenture, the MAV2 Trust Indenture, the IA Tracking Note Trust Indentures, and the MAV3 Tracking Note Trust Indenture;

"Unaffected Claims" has the meaning given to that term in Section 3.3 herein;

"Unaffected Creditors" means all Persons holding Unaffected Claims, to the extent of their Unaffected Claims and **"Unaffected Creditor"** means any one of them;

"Unconfirmed Votes" means, with regard to the votes at the Meeting, those votes for which the Monitor has been unable to obtain satisfactory third-party confirmation of holdings of Affected ABCP;

"Unconfirmed Voting Claim" means a Noteholder Claim in respect of which the Noteholder's vote is an Unconfirmed Vote;

"U.S. Dollars" or "USDS" means dollars denominated in lawful currency of the United States of America;

"Voter Confirmation Form" means the form (printed on pink paper) that a Noteholder whose holdings of Affected ABCP have previously been confirmed by Ernst & Young Inc. must properly complete and deliver to the Monitor in order to be eligible to vote at the Meeting, which form will be mailed directly to such Noteholders by the Monitor, separately from the Information Statement;

"Voter Identification Form" means the form included with the Information Statement (printed on blue paper) that Noteholders whose holdings of Affected ABCP have not previously been confirmed by Ernst & Young Inc. must properly complete and deliver in order to be eligible to vote at the Meeting; and

"Website" means the website established by the Monitor for purposes of the Plan and having the follow web address: www.ey.com/ca/commercialpaper.

1.2 Certain Rules of Interpretation

In this Plan and the Schedules hereto:

- (i) the division of this Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Plan. The terms "this Plan", "hereof", "hereunder", "herein" and similar expressions refer to this Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Plan;

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- (ii) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (iii) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes without limitation" and "including without limitation", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (iv) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall 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. Whenever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day; and
- (v) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments 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.

1.3 Schedules

The following Schedules are attached to and form part of this Plan:

- Schedule "A" – List by Series of Affected ABCP
- Schedule "B" – ~~MAV1 Note~~ Trust Indenture Term Sheet
- Schedule "C" – ~~MAV2 Note~~ Trust Indenture Term Sheet
- Schedule "D" – ~~MAV1 IA Tracking Note Indenture and MAV2 Ineligible Asset~~ IA Tracking Note Indenture Term Sheet
- Schedule "E" – ~~MAV3 Traditional Asset Tracking Note~~ Trust Indenture Term Sheet
- Schedule "F" – ~~MAV1 Declaration of Trust (form MAV2 Declaration of)~~ Trust and MAV3 Declaration of Trust
- Schedule "G" – ~~MAV1 Margin Funding Facilities Term Sheet Facility~~

	<u>Agreement and MAV2 Margin Funding Facility Agreement</u>
Schedule "H"	– <u>MAV1 Omnibus Agreement Term Sheet and MAV2 Omnibus Agreement</u>
Schedule "I"	– <u>Master Security Agreement</u>
Schedule "J"	– <u>MAV1 Administration and Management Agreement (form of)</u> <u>MAV2 Administration and Management Agreement and</u> <u>MAV3 Administration and Management Agreement</u>
Schedule "K"	– <u>Traditional Asset CMO Co-Ownership Agreement Term Sheet and MCAP Co-Ownership Agreement</u>
Schedule "L"	– <u>CDS Restructuring Documents (forms of each of the new swap documents for the restructured Credit Default Swaps—Master ISDA, ISDA Schedules and Confirms)</u>
Schedule "M"	– <u>Additional Modifications and Individual Solutions of CDS Term Sheet</u>
Schedule "N"	– <u>Agreement in Principle for GD Swap Restructuring Agreements</u>
Schedule "O"	– <u>CIBC Omnibus Agreements</u>
Schedule "P"	– <u>Newshore AMA</u>
Schedule "Q"	– <u>Tap AMA</u>
Schedule "R"	– <u>RACSAs</u>
Schedule "S"	– <u>Master Release Agreement</u>
Schedule "T"	– <u>Existing Indemnity and Tax Claims Protocol</u>
Schedule "U"	– <u>Transition Services Agreement</u>
Schedule "V"	– <u>Senior Funding Term Sheet</u>

ARTICLE 2

PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of this Plan is to effect a comprehensive restructuring of all Affected ABCP, including the distribution to Noteholders of Plan Notes, which is intended to provide Noteholders with the opportunity to receive repayment of their original investment over time.

2.2 Affected Persons

This Plan will be implemented under the CCAA and be binding on all Noteholders and other Persons in accordance with its terms, on the Plan Implementation Date.

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ARTICLE 3 CLASSIFICATION OF CREDITORS

3.1 Class of Creditors

The sole class for the purpose of considering and voting on this Plan shall be the class consisting of Noteholders.

3.2 Noteholder Identification Procedure

Noteholders shall confirm or identify their respective Noteholder Claims for voting purposes, vote in respect of the Plan, and receive the distributions provided for under and pursuant to this Plan in accordance with the Meeting Order, the Sanction Order and this Plan.

3.3 Unaffected Claims

This Plan does not compromise, release or otherwise affect any rights or claims:

- (a) arising from ABCP that is not Affected ABCP, including any ABCP of a CCAA Party that is excluded pursuant to Section 11.2;
- (b) for fees and expenses incurred in the provision of goods and services in the administration and management of the ABCP Conduits or relating to the CCAA Proceedings and authorized pursuant to paragraph 6 of the Initial Order;
- (c) of the Monitor and its counsel, counsel to the CCAA Parties, counsel to the Investors Committee or that otherwise are secured by the CCAA Charges; or
- (d) that fall within Section 18.2 of the CCAA.

All of the foregoing rights and claims set out in this Section 3.3, inclusive, are collectively referred to as the "Unaffected Claims" and any one of them is an "Unaffected Claim".

ARTICLE 4 TREATMENT OF CREDITORS

4.1 Treatment of Claims

On the Plan Implementation Date, the claims affected by this Plan, including ABCP Market Claims will be compromised, released and otherwise affected in accordance with the terms of this Plan.

4.2 Treatment of Affected ABCP

For purposes of distributions pursuant to this Plan, Affected ABCP shall be divided by series and Noteholders shall receive distributions as set out in Sections 6.2 and 6.6 based upon (i) the type of assets underlying each series of Affected ABCP, as set out in Schedule "A" and (ii) certain elections by and eligibility of Noteholders as provided for in Section 6.1.

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4.3 Voting Rights of Noteholders

Subject to this Plan and the Meeting Order, each Noteholder having a Proven Voting Claim shall be entitled to one vote in the Noteholders' Class in an amount equal to such Noteholder's Proven Voting Claim. Furthermore, votes in respect of Unconfirmed Voting Claims will be recorded by the Monitor, subject to further determination in accordance with the Meeting Order. The procedure for determining the validity and quantum of the Noteholder Claims for voting purposes shall be governed by the Meeting Order.

4.4 Unaffected Creditors

Notwithstanding anything to the contrary herein, each Person who has an Unaffected Claim shall not be entitled to vote or to receive any distribution under this Plan in respect of such Unaffected Claim. All Unaffected Claims shall be unaffected by the CCAA Proceedings and principal and interest shall continue to accrue notwithstanding the CCAA Proceedings.

4.5 Different Capacities

Noteholders whose Noteholder Claims are affected by this Plan may be affected in more than one capacity. ~~Unless expressly provided herein to the contrary, each such Noteholder shall be entitled to participate hereunder in each such capacity. Any action taken by a Noteholder in any one capacity shall not affect the Noteholder in any other capacity, unless expressly agreed by the Noteholder in writing or unless the Noteholder Claims in question overlap or are otherwise duplicative (in which case, the Noteholder shall elect in which capacity to be so affected).~~

4.6 Approved Agreements

Each of the Approved Agreements is a fundamental part of this Plan, and where it is entered into by a Plan Participant it is done: (i) in consideration of the distributions and other benefits provided pursuant to this Plan; and (ii) for the reasons noted in this Plan and in such agreements. The Noteholders, in approving this Plan, also approve each of the Approved Agreements, and the terms, provisions and releases contemplated therein. The entry of the Sanction Order shall constitute the CCAA Court's approval, as of the Plan Implementation Date, of the Approved Agreements and the terms, provisions and releases contained therein and the CCAA Court's authorization and direction to the CCAA Parties to execute and deliver the Approved Agreements.

ARTICLE 5 RESTRUCTURING

5.1 Restructuring of ABCP

Pursuant to the transactions contemplated herein, Affected ABCP will be exchanged for long-term Plan Notes designed to generally match the maturities of the underlying assets. MAV1, MAV2 and MAV3 will be created to acquire the assets of the ABCP Conduits, assume the Affected ABCP and other related obligations and issue the Plan Notes in exchange for the Affected ABCP.

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5.2 Restructuring Transactions Effected by the Plan

In addition to the compromises, arrangements, releases and distributions described in this Plan, and in addition to or in conjunction with the transactions contemplated under the Approved Agreements, the following transfers, conveyances, actions and transactions shall be effected or deemed to be effected by this Plan, subject to Section 5.3, on the Plan Implementation Date, in the following order (except that the transactions described in (c), (d) and (e) below shall occur at the same time) or such order as may be determined by the Investors Committee with the approval of the Monitor and consent of the Plan Participants. Any such re-ordering of the following steps shall be deemed not to be a material amendment to this Plan.

(a) *Formation of New Master Asset Vehicles*

The MAVs will be formed under the laws of the Province of Ontario pursuant to the Declarations of Trust prior to ~~or as of~~ the Plan Implementation Date.

(b) *Cash Payments from ABCP Conduits*

Cash payments will be made from the ABCP Conduits in accordance with Section 6.6.

(c) *Transfer of Synthetic and Hybrid Assets and Ineligible Assets*

Each of the Specified Satellite Trusts (~~other than the Starts Trusts~~) will redeem all outstanding certificates issued by it and will satisfy the redemption price by issuing to the holder ~~one or more~~ two demand non-interest bearing promissory notes (each, a "Satellite Trust Promissory Note") having an aggregate principal amount equal to the adjusted cost base (as defined in subsection 107(1) of the ~~Income Tax Act (Canada)~~) of the certificate immediately prior to it being redeemed.

MAV1

Each ABCP Conduit with a Series of Affected ABCP that is supported by Synthetic and Hybrid Assets will assign, transfer and convey to MAV1 that portion of its Synthetic and Hybrid Assets and Ineligible Assets (or where the Synthetic and Hybrid Assets and Ineligible Assets are owned by a Satellite Trust other than a Specified Satellite Trust, that portion of the ABCP Conduit's interest in the Satellite Trust) determined by the percentage of the outstanding settlement amount of each Series of Affected ABCP held by Noteholders validly participating in MAV1 as determined pursuant to Section 6.1. The Synthetic and Hybrid Assets transferred will reflect the percentage of ownership in each such asset transferred to MAV1. The purchase price for such assets will be satisfied by MAV1 assuming (i) the same proportionate amount of the respective ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations, and (ii) the same proportionate amount of the

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Affected ABCP of each ABCP Conduit held by Noteholders participating in MAV1.

Where an ABCP Conduit transfers assets to MAV1 pursuant to the foregoing and thereby transfers to MAV1 a Satellite Trust Promissory Note and/or the relevant percentage of a Starts Note, as applicable, of a Specified Satellite Trust, that Specified Satellite Trust will assign, transfer and convey to MAV1 the same proportion of its Synthetic and Hybrid Assets as that transferred by the ABCP Conduit holding its Satellite Trust Promissory Note and/or the relevant percentage of its Starts Note, as applicable. MAV1 will satisfy the purchase price for the transferred assets by assuming the same proportionate amount of the respective Specified Satellite Trust's obligations (i) incurred by it to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations, and (ii) under the Satellite Trust Promissory Note issued by it as described above and/or the relevant percentage of the Starts Note, as applicable.

MAV2

~~Each ABCP Conduit with a Series of Affected ABCP that is supported by Synthetic and Hybrid Assets will assign, transfer and convey to MAV2 a portion of its Synthetic and Hybrid Assets and Ineligible Assets (or where the Synthetic and Hybrid Assets and Ineligible Assets are owned by a Satellite Trust other than a Specified Satellite Trust, a portion of the ABCP Conduit's interest in the Satellite Trust), such portion being based upon the percentage of the outstanding settlement amount of its Affected ABCP held by Noteholders participating in MAV2. The Synthetic and Hybrid Assets transferred will reflect a percentage of ownership in each such asset transferred to MAV2. The purchase price for such assets will be satisfied by MAV2 assuming (i) the same proportionate amount of the respective ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations and (ii) a proportionate amount of the Affected ABCP of each ABCP Conduit held by Noteholders participating in MAV2.~~

Where an ABCP Conduit transfers assets to MAV2 pursuant to the foregoing and thereby transfers to MAV2 a Satellite Trust Promissory Note and/or the relevant percentage of a Starts Note, as applicable, of a Specified Satellite Trust, that Specified Satellite Trust will assign, transfer and convey to MAV2 the same proportion of its Synthetic and Hybrid Assets as that transferred by the ABCP Conduit holding its Satellite Trust Promissory Note and/or the relevant percentage of its Starts Note, as applicable. MAV2 will satisfy the purchase price for the transferred assets by assuming the same proportionate amount of the respective Specified Satellite Trust's obligations (i) incurred by it to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations, and (ii) under the Satellite Trust Promissory Note issued by it as described above and/or the relevant percentage of the Starts Note, as applicable.

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(d) ***Transfer of Ineligible Assets***

Each ABCP Conduit with a Series of Affected ABCP that is supported, in whole or in part, by Ineligible Assets, and each Specified Satellite Trust owning Ineligible Assets, will assign, transfer and convey to MAV1, MAV2 and/or MAV3, as applicable, a portion of the Ineligible Assets based upon the percentage of the outstanding settlement amount of Affected ABCP that funded the acquisition of the Ineligible Assets held by Noteholders participating in MAV1, MAV2 or MAV3, as applicable. The purchase price for the respective Ineligible Assets will be satisfied by MAV1, MAV2 and MAV3, respectively assuming (i) the same proportionate amount of the respective ABCP Conduit's or Specified Satellite Trust's obligations incurred by the Conduits or Specified Satellite Trusts to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations and (ii) the same proportionate amount of the Affected ABCP of the ABCP Conduits (or Satellite Trust Promissory Note in the case of a Specified Satellite Trust) that funded the acquisition of Ineligible Assets transferred to MAV1, MAV2 or MAV3, as applicable.

Upon completion of the transfers set out in Section 5.2(c) and this Section 5.2(d) the Satellite Trust Promissory Notes and the Starts Notes will be cancelled.

(e) ***Transfer of Exclusively Traditional Assets***

Each ABCP Conduit with a Series of Affected ABCP that is supported in whole by Exclusively Traditional Assets will assign, transfer and convey its Exclusively Traditional Assets (or where the Exclusively Traditional Assets are owned by a Satellite Trust other than a Specified Satellite Trust, the ABCP Conduit's interest in that Satellite Trust) to MAV3 pursuant to a standard form conveyance ~~document documents~~. The purchase price for the Exclusively Traditional Assets will be satisfied by MAV3 assuming (i) the ABCP Conduit's obligations incurred by the Conduits to fund or refinance the acquisition and ownership of such assets and preserving the rank and priority of repayment of such obligations and (ii) the Affected ABCP of the ABCP Conduits that funded the acquisition of the Exclusively Traditional Assets.

(f) ***Restructuring of Credit Default Swaps***

All existing CDS contracts entered into between the ABCP Conduits or applicable Satellite Trusts, as the case may be and the Asset Providers will be terminated or novated without any payments, including swap termination payments, being made under such CDS contracts (provided, however, that accrued and unpaid payments unrelated to the termination survive the termination) and will be replaced by, and MAV1 and MAV2 will enter into, the CDS Restructuring Documents, except as otherwise provided in the Additional Modifications and Individual Solutions of CDS Term Sheet.

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(g) ***Pooling***

All of the Synthetic and Hybrid Assets transferred to MAV1 will be pooled for purposes of funding the return on the MAV1 Notes.

All of the Synthetic and Hybrid Assets transferred to MAV2 will be pooled for purposes of funding the return on the MAV2 Notes.

(h) ***Exchange of Affected ABCP***

The terms of all of the Affected ABCP, as assumed by each of the MAVs, as applicable, will be amended or deemed to be amended to provide to Noteholders the right to exchange their Affected ABCP for Plan Notes. Noteholders holding Affected ABCP will exchange or be deemed to exchange such Affected ABCP for Plan Notes as set out in Article 6 of this Plan. The rights and obligations of the Noteholders and the ABCP Conduits in respect of the Affected ABCP will cease as of the Plan Implementation Date.

(i) ***Termination of Liquidity Arrangements***

All of the ~~liquidity agreements~~ Liquidity Agreements (except the two Liquidity Agreements referenced in Section 5.3, Step 18) in place for the benefit of one or more Series of Affected ABCP (excluding, for greater certainty, those which have terminated or expired in accordance with their terms) will be cancelled with no additional payments being made by or on behalf of any of the parties thereto.

(j) ***Remittance of Reserve Amounts***

Any amounts held by or on behalf of an ABCP Conduit as of the Plan Implementation Date in one or more reserve accounts for the account and benefit of an ABCP Sponsor (as confirmed by the Monitor) in connection with credit enhancement funding shall be remitted to the applicable ABCP Sponsor on or immediately before the Plan Implementation Date ~~or as soon as practicable thereafter.~~

(k) ***Liquidation of ABCP Conduits***

Subsequent to the transfer of their respective assets to the MAVs in payment for their outstanding Affected ABCP (i) each of the ABCP Conduits and Specified Satellite Trusts will be terminated in accordance with the terms of its governing documents or as may otherwise be approved by the Court and (ii) each of the Respondents will be wound up following the termination of the Existing Issuer Trustee Trust Agreement. The rights of indemnity existing in favour of and granted by the Respondents and the Original Issuer Trustees shall survive the releases contained herein and rank against the property of the MAVs ahead of holders of MAV1 Notes, MAV2 Notes and MAV3 Notes in accordance with the priority of payments set out in the Trust Indentures, the CIBC Omnibus Agreements and the Omnibus Agreements and in proportion to the outstanding Affected ABCP on a Series by Series basis. The Existing Issuer Trustee Trust

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Agreement shall be settled and funded in the amount of \$5.5 million. Any Existing Indemnity Claims shall be satisfied pursuant to the terms of the Existing Indemnity and Tax Claims Protocol and, thereafter, the Existing Issuer Trustee Trust Agreement.

(l) ***Collateral Posting***

Collateral posting across the Synthetic and Hybrid Assets transferred to MAV1 and MAV2 will be effected as described under "*Intercreditor Arrangements*" in the Information Statement or as otherwise described in the Omnibus Agreements, the CIBC Omnibus Agreements and the Master Security Agreements.

(m) ***Margin Funding Facilities***

Certain parties, including certain Asset Providers, the Canadian Banks and, potentially, certain Noteholders participating in MAV2, will provide margin call support pursuant to the terms of the MAV2 Margin Funding Facility Agreement. If there is a deficiency in the MAV2 margin funding requirements that is not addressed through other means, the amounts accumulated in ABCP Sponsors' accounts will be retained in MAV2 as collateral to address the deficiency. Noteholders participating in MAV1 will provide margin call support pursuant to the terms of the MAV1 Margin Funding Facility Agreement. In addition, certain parties will provide senior credit support (in a form to be settled on or before the Plan Implementation Date) to MAV1 and MAV2 in the form of the Senior Funding Facilities and the MAV1 MFF Lenders will provide the Supplemental Commitments.

(n) ***Appointment of Asset Manager Administrator***

On the Plan Implementation Date the MAVs will appoint the Asset Manager Administrator to act as administrative administrator and asset manager on behalf of each MAV pursuant to the terms of the Administration and Management Agreement Agreements. In addition, Newshore Financial Services Inc. will be appointed under the Newshore AMA and Tao Admin Corp. will be appointed under the Tao AMA.

5.3 Ordering of Certain Steps or Transactions

Notwithstanding the provisions of Section 5.2 hereof, the following steps or transactions shall occur and shall be deemed to occur in the order they appear below:

Closing Steps

One day prior to the Plan Implementation Date:

The applicable declarations of trust, settlement deeds and series supplements supplemental to base trust agreements of (i) each of Aria Trust, Encore Trust, Symphony Trust, Newshore Canadian Trust and Opus Trust, (ii) those ABCP Conduits that exclude from their class of beneficiaries "charities which are trusts", and (iii) the Specified

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Satellite Trusts will be amended to exclude references, if any, to specific beneficiaries and so that the class of beneficiaries of the trusts will include "any one or more registered charities within the meaning of subsection 248(1) of the Tax Act", together with related amendments.

On the Plan Implementation Date:

Step 1

The Targeted Trust will be formed under the laws of the Province of Ontario pursuant to the base trust agreement dated October 10, 2002 between Coventree Capital Group Inc. (now known as Coventree Inc.) and BNY Trust Company of Canada and the beneficiaries of the Targeted Trust will include one or more registered charities within the meaning of subsection 248(1) of the Tax Act. Rocket Trust will transfer the Targeted Assets to the Targeted Trust in exchange for the Constellation Certificate Trust (Targeted) Certificate, Series 2008-1, issued by the Targeted Trust (the "Targeted Certificate").

Step 2

Each Specified Satellite Trust and ABCP Conduit will pay all of its unpaid expenses to the extent cash is available to it to do so.

Step 3

Each Specified Satellite Trust will distribute to the ABCP Conduit that owns a certificate in the Specified Satellite Trust, as applicable, any cash or accrued income entitlements of the Specified Satellite Trust to the extent such cash or accrued income entitlements is, or is derived from, net income earned by the Specified Satellite Trust, up to the time immediately before the redemption of the certificates, as described in Step 4 below, and to the extent such cash or accrued income entitlements was not previously allocated or distributed by the Specified Satellite Trust.

Step 4

Each Specified Satellite Trust (other than the Starts Trusts) will redeem and cancel all outstanding certificates issued by it and will satisfy the redemption price by issuing to the applicable ABCP Conduit the Satellite Trust Promissory Notes, as referenced in Section 5.2(c).

Step 5

Each ABCP Conduit will (a) deposit its cash that is, or is derived from, income and (b) undertake to deposit or cause to deposit the cash received on account of its accrued income entitlements and Quebec Sales Tax refunds, if any, upon receipt of such amounts after the Plan Implementation Date (including the cash and cash received on account of the accrued income entitlements received from a Specified Satellite Trust pursuant to Step 3 above) with the Monitor (or CDS Clearing, with respect to the payment of interest only), in satisfaction of the obligations of the ABCP Conduit including (i) any Noteholders' entitlement to receive interest on the Affected ABCP for the period ending on the Plan Implementation Date, as referenced in Section 6.6, (ii)

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certain parties' entitlement to receive payment of expenses, as referenced in Sections 6.3, 6.4 and 6.5, (iii) certain Asset Providers' rights to receive accrued payments under the terminated or novated swap agreements, and (iv) certain other payments required in connection with the implementation of the Plan. Each ABCP Conduit will deposit with the Monitor its cash on account of principal received on or after September 1, 2008 to the Plan Implementation Date, for reconciliation.

Step 6

Each Specified Satellite Trust or ABCP Conduit, as applicable, will terminate certain swap and related agreements, as referenced in Section 5.2(f), custodial agreements and guarantees. Each Liquidity Provider holding a class "L" and/or class "C" certificate in a Continuing Satellite Trust will surrender such certificates for cancellation.

Step 7

U.S. Bank Trust National Association will resign and be replaced by the New Satellite Trustee as the trustee of Constellation Certificate Trust (MLCC) Series 2003-B.

Step 8

Coventree will sell certain residual certificates it holds in the Continuing Satellite Trusts to the applicable ABCP Conduits and will surrender the remainder of certain other residual certificates it holds in the Continuing Satellite Trusts for cancellation. Coventree, and the applicable ABCP Conduits and Continuing Satellite Trusts will settle all obligations under all basis reserve agreements, including amounts returned to Coventree for other reserves. The applicable ABCP Conduits will also surrender certain certificates they hold in the Continuing Satellite Trusts for cancellation, and exchange certain other Canadian dollar certificates of the Continuing Satellite Trusts for certificates reflecting the U.S. dollar value of the underlying assets of such Continuing Satellite Trusts.

Step 9

The applicable base trust agreements, series supplements supplemental to base trust agreements and declarations of trust for each of the Continuing Satellite Trusts will be amended and restated.

Step 10

Each of the Specified Satellite Trusts will transfer all of its assets to MAV1 and MAV2 (other than as specified in the steps above), and MAV1 and MAV2 will assume certain obligations of all of the Specified Satellite Trusts (other than as specified in the steps above), including the obligations of the Specified Satellite Trusts under the Satellite Trust Promissory Notes and the Starts Notes, as applicable, and as referenced in Sections 5.2(c) and (d), as applicable.

Simultaneously, each of the ABCP Conduits will transfer all of its assets (other than as specified in the steps above), including its certificates or other applicable interests in the Traditional Assets (including the Targeted Certificate), the Satellite Trust Promissory Notes, and the Starts Notes, to MAV1, MAV2 and MAV3, as applicable, and

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Satellite Trusts will be amended to exclude references, if any, to specific beneficiaries and so that the class of beneficiaries of the trusts will include "any one or more registered charities within the meaning of subsection 248(1) of the Tax Act", together with related amendments.

On the Plan Implementation Date:

Step 1

The Targeted Trust will be formed under the laws of the Province of Ontario pursuant to the base trust agreement dated October 10, 2002 between Coventree Capital Group Inc. (now known as Coventree Inc.) and BNY Trust Company of Canada and the beneficiaries of the Targeted Trust will include one or more registered charities within the meaning of subsection 248(1) of the Tax Act. Rocket Trust will transfer the Targeted Assets to the Targeted Trust in exchange for the Constellation Certificate Trust (Targeted) Certificate, Series 2008-1, issued by the Targeted Trust (the "Targeted Certificate").

Step 2

Each Specified Satellite Trust and ABCP Conduit will pay all of its unpaid expenses to the extent cash is available to it to do so.

Step 3

Each Specified Satellite Trust will distribute to the ABCP Conduit that owns a certificate in the Specified Satellite Trust, as applicable, any cash or accrued income entitlements of the Specified Satellite Trust to the extent such cash or accrued income entitlements is, or is derived from, net income earned by the Specified Satellite Trust, up to the time immediately before the redemption of the certificates, as described in Step 4 below, and to the extent such cash or accrued income entitlements was not previously allocated or distributed by the Specified Satellite Trust.

Step 4

Each Specified Satellite Trust (other than the Starts Trusts) will redeem and cancel all outstanding certificates issued by it and will satisfy the redemption price by issuing to the applicable ABCP Conduit the Satellite Trust Promissory Notes, as referenced in Section 5.2(c).

Step 5

Each ABCP Conduit will (a) deposit its cash that is, or is derived from, income and (b) undertake to deposit or cause to deposit the cash received on account of its accrued income entitlements and Quebec Sales Tax refunds, if any, upon receipt of such amounts after the Plan Implementation Date (including the cash and cash received on account of the accrued income entitlements received from a Specified Satellite Trust pursuant to Step 3 above) with the Monitor (or CDS Clearing, with respect to the payment of interest only), in satisfaction of the obligations of the ABCP Conduit including (i) any Noteholders' entitlement to receive interest on the Affected ABCP for the period ending on the Plan Implementation Date, as referenced in Section 6.6, (ii)

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certain parties' entitlement to receive payment of expenses, as referenced in Sections 6.3, 6.4 and 6.5, (iii) certain Asset Providers' rights to receive accrued payments under the terminated or novated swap agreements, and (iv) certain other payments required in connection with the implementation of the Plan. Each ABCP Conduit will deposit with the Monitor its cash on account of principal received on or after September 1, 2008 to the Plan Implementation Date, for reconciliation.

Step 6

Each Specified Satellite Trust or ABCP Conduit, as applicable, will terminate certain swap and related agreements, as referenced in Section 5.2(f), custodial agreements and guarantees. Each Liquidity Provider holding a class "L" and/or class "C" certificate in a Continuing Satellite Trust will surrender such certificates for cancellation.

Step 7

U.S. Bank Trust National Association will resign and be replaced by the New Satellite Trustee as the trustee of Constellation Certificate Trust (MLCC) Series 2003-B.

Step 8

Coventree will sell certain residual certificates it holds in the Continuing Satellite Trusts to the applicable ABCP Conduits and will surrender the remainder of certain other residual certificates it holds in the Continuing Satellite Trusts for cancellation. Coventree, and the applicable ABCP Conduits and Continuing Satellite Trusts will settle all obligations under all basis reserve agreements, including amounts returned to Coventree for other reserves. The applicable ABCP Conduits will also surrender certain certificates they hold in the Continuing Satellite Trusts for cancellation, and exchange certain other Canadian dollar certificates of the Continuing Satellite Trusts for certificates reflecting the U.S. dollar value of the underlying assets of such Continuing Satellite Trusts.

Step 9

The applicable base trust agreements, series supplements supplemental to base trust agreements and declarations of trust for each of the Continuing Satellite Trusts will be amended and restated.

Step 10

Each of the Specified Satellite Trusts will transfer all of its assets to MAV1 and MAV2 (other than as specified in the steps above), and MAV1 and MAV2 will assume certain obligations of all of the Specified Satellite Trusts (other than as specified in the steps above), including the obligations of the Specified Satellite Trusts under the Satellite Trust Promissory Notes and the Starts Notes, as applicable, and as referenced in Sections 5.2(c) and (d), as applicable.

Simultaneously, each of the ABCP Conduits will transfer all of its assets (other than as specified in the steps above), including its certificates or other applicable interests in the Traditional Assets (including the Targeted Certificate), the Satellite Trust Promissory Notes, and the Starts Notes, to MAV1, MAV2 and MAV3, as applicable, and

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MAV1, MAV2 and MAV3, as applicable, will assume certain obligations of all of the ABCP Conduits (other than as specified in the steps above), including the obligations under the Affected ABCP, as applicable, and as referenced in Sections 5.2(c), (d) and (e), as applicable. Simultaneously, the Specified Satellite Trust or the ABCP Conduit, as applicable, the MAVs and certain Asset Providers will novate certain swap and related agreements, as referenced in Section 5.2(f), to the MAVs. Other interest rate, rate cap and cross currency swaps to which the ABCP Conduits or Specified Satellite Trusts are a party will be similarly novated. Simultaneously, the original collateral and other posted support will be deemed to be delivered and/or transferred (a) from the Asset Providers to the Specified Satellite Trust or the ABCP Conduit, as applicable, (b) from the Specified Satellite Trust or the ABCP Conduit, as applicable, to the MAVs, and (c) in the case of other posted support, from the MAVs to the Asset Providers. Original collateral will be pledged by the MAVs to the Asset Providers as described in Step 12.

Step 11

The Satellite Trust Promissory Notes and the Starts Notes will be cancelled by operation of law.

Step 12

The MAVs and the Asset Providers will enter into the CDS Restructuring Documents (except as otherwise provided in the Additional Modification and Individual Solutions of CDS Term Sheet), as referenced in Section 5.2(f), the guarantees, and (together with the custodians) the custodial and control agreements. The MAVs will pledge the pooled original collateral to certain Asset Providers, pursuant to the Master Security Agreements, as referenced in Section 5.2(i). The pledge of collateral to Canadian Imperial Bank of Commerce will occur pursuant to the credit support annex referred in the CIBC Omnibus Agreements.

Step 13

The applicable parties will enter into the CMO Co-Ownership Agreement, the MCAP Co-Ownership Agreement and the RACSAs.

Step 14

The principal amount of Structured Asset Trust, Series E-1 will be reduced to 77% of its principal amount.

Step 15

Noteholders will exchange or will be deemed to exchange the Affected ABCP owned by them, and assumed by each of the MAVs in Step 10 above, for Plan Notes of the MAVs, as referenced in Section 5.2(h). The entitlement of the Noteholders to receive interest on their Affected ABCP in excess of the amounts determined by the Monitor under Section 6.6 will be extinguished.

Step 16

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1462888 Ontario Inc., 1614723 Ontario Inc. and BNY Trust Company of Canada will resign and be replaced by the New Satellite Trustee as the trustee of all of the Continuing Satellite Trusts (excluding Constellation Certificate Trust (MLCC) Series 2003-B, which was addressed in Step 7 above).

Step 17

The applicable parties will enter into the TRACSA.

Step 18

The applicable parties shall enter into the following two agreements: (i) Amended and Restated Liquidity Loan Agreement, dated as of the Plan Implementation date between CIBC Mellon Global Services Securities Company, in its capacity as trustee of Constellation Certificate Trust (SLR -A2) Series 2003-1 and, each of the Lenders (as defined therein) and, the Bank of Nova Scotia, as agent, and (ii) Amended and Restated Liquidity Loan Agreement, dated as of the Plan Implementation date between CIBC Mellon Global Services Securities Company, in its capacity as trustee of Constellation Certificate Trust (CCG1) Series 2004-1 and, each of the Lenders (as defined therein) and, the Bank of Nova Scotia, as agent.

Step 19

All administration agreements, financial arrangement agreements, and supplements thereto, between a Satellite Trust and Coventree will be terminated.

Step 20

The program agreements relating to certain Traditional Assets, including any applicable mortgage purchase agreements, loan and security agreements and liquidity loan agreements will be amended and/or restated.

Step 21

The New Satellite Trustee, in its capacity as the trustee of the applicable Continuing Satellite Trusts, will deliver the officer's certificates that are required in connection with the Margin Funding Facility Agreements.

After the Plan Implementation Date (but otherwise in no particular order):

Step 22

The declarations of trust of each of the MAVs will be amended to exclude from its class of beneficiaries those registered charities that, at any particular time, own Plan Notes of any of the MAVs.

Step 23

After the exchange of Affected ABCP for Plan Notes, MAV1 and MAV2 will distribute cash to holders of the Class 14 Notes issued under the 1A Tracking Note Trust Indentures (the "Class 14 Notes") and the remaining Class 14 Notes will be cancelled.

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Step 24

The Monitor will receive and reconcile all amounts received from the ABCP Conduits, the Satellite Trusts, the MAVs and the Asset Providers, and will distribute the required amounts to the Noteholders, the parties entitled under Sections 6.3 and 6.4, the Asset Providers, the MAVs and all other applicable Persons.

Step 25

The ABCP Conduits and Specified Satellite Trusts will be terminated as soon as practicable.

**ARTICLE 6
DISTRIBUTIONS**

6.1 Election to Participate in MAV1 or MAV2

Except with respect to their holdings of Series of Affected ABCP that are backed by Exclusively Traditional Assets or by exclusively Ineligible Assets or Series of Subordinated ABCP, Noteholders will participate in either MAV1 or MAV2. In order to be eligible to participate in MAV1, Noteholders must satisfy the "*MAV1 Eligibility Criteria*" set forth in the Information Statement (see section entitled "*Eligibility and Election to Participate in MAV1*"). Any Noteholder that fails to properly complete and deliver the Form of Election or that does not qualify or properly elect to participate in MAV1 will participate in MAV2. A Noteholder, other than National Bank of Canada and National Bank Financial Inc., must make the election in respect to the entirety of its holdings of eligible Affected ABCP whether or not such holdings include more than a single Series of Affected ABCP. Notwithstanding the foregoing and the MAV1 Eligibility Criteria, the collective holdings of Affected ABCP of the following Desjardins entities shall be MAV1 Eligible and the entities shall be eligible to be MAV1 MFF Lenders: Caisse Centrale Desjardins, 9186-3027 Québec Inc., 9186-4108 Québec Inc., 9186-4116 Québec Inc., 9186-4132 Québec Inc., 9186-8034 Québec Inc., Desjardins Credit Union, Fédération des caisses Desjardins du Québec, Régime de rentes du Mouvement Desjardins, Desjardins Sécurité financière compagnie d'assurance vie, Fonds de sécurité Desjardins, Fondation Desjardins, Desjardins gestion d'actifs Inc., Valeurs mobilières Desjardins Inc., La Personnelle Assurances générales Inc., Certas compagnie d'assurances auto et habitation, Desjardins assurances générales Inc., Certas direct compagnie d'assurances, La Personnelle compagnie d'assurances, Desjardins Global Asset Management Inc. solely in its capacity of Manager of MM Trust, Desjardins Global Asset Management Inc. solely in its capacity of Manager of MM Trust II, Desjardins Global Asset Management Inc. solely in its capacity of Portfolio Adviser of Fonds Obligataire Desjardins.

In the case of MAV2, the MAV2 Margin Funding Facility will be established on the Plan Implementation Date and funded by a group of third-party lenders and potentially, certain Noteholders who desire to participate in the MAV2 Margin Funding Facility to an extent less than their pro rata share of such facility. The size and composition of the asset pools within MAV1 and MAV2 will be determined based on the number of Noteholders that participate in each MAV (and their respective holdings of Affected ABCP) and, therefore, will not be known until after the Meeting. This information will be posted on the Website and communicated to

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those Noteholders who have elected to participate in MAV1 at least 5 Business Days before the Plan Implementation Date.

6.2 Distributions of Plan Notes

For purposes of distributing the Plan Notes, the various issuances of Affected ABCP may be consolidated by CUSIP into the Series referenced in Schedule "A", which consolidation would occur prior to the issuance of the Plan Notes. The entry of the Sanction Order shall constitute the CCAA Court's approval of such consolidation and the CCAA Court's authorization and direction to the Respondents and any of their respective agents to execute and deliver a direction to CDS Clearing & Depository Services Inc. to effect such consolidation, if and when directed to do so by the Monitor.

Each Noteholder shall be entitled to a distribution under this Plan as follows:

(a) MAV1 Notes and MAV1 IA Tracking Notes

Each Noteholder with a Noteholder Settlement Claim that is in whole or in part MAV1 Eligible shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP for:

- (i) a MAV1 Class A-1 Note;
- (ii) a MAV1 Class A-2 Note;
- (iii) a MAV1 Class B Note; and
- (iv) a MAV1 Class C Note.

The aggregate principal amount of MAV1 Notes issued by MAV1 to a Noteholder will equal the aggregate settlement amount of Affected ABCP transferred by such Noteholder to MAV1 less the aggregate principal amount of any IA Tracking Notes issued by MAV1 to such Noteholder. The principal amount of a MAV1 Class A-1 Note issued to a Noteholder by MAV1 will reflect the Noteholder's aggregated indirect relative contribution to the aggregated value of the Transferred Synthetic and Hybrid Assets (excluding Ineligible Assets) transferred to MAV1, as determined by JPMorgan pursuant to the Relative Contribution Analysis; with the balance of the settlement amount of the Affected ABCP exchanged being represented by a combination of MAV1 Class A-2 Notes, MAV1 Class B Notes, MAV1 Class C Notes and, if applicable, MAV1 IA Tracking Notes, the amounts of which will be determined according to the formula set forth in the Information Statement (see section entitled "*Allocation of Plan Notes in Exchange for Affected ABCP*").

MAV1 IA Tracking Notes will be issued by MAV1 for each underlying Ineligible Asset transferred to MAV1, with a separate class of MAV1 IA Tracking Note being issued by MAV1 for each individual Ineligible Asset transferred to MAV1. The aggregate principal amount of MAV1 IA Tracking Notes issued

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will equal the aggregate settlement amount of the Affected ABCP assumed by MAV1 that funded a particular Ineligible Asset acquired by MAV1.

(b) MAV2 Notes and MAV2 IA Tracking Notes

Each Noteholder with a Noteholder Settlement Claim arising from Synthetic and Hybrid Assets that is not MAV1 Eligible, including any Noteholder Settlement Claim that would otherwise be MAV1 Eligible but the Noteholder does not qualify or properly elect to participate in MAV1, shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP for:

- (i) a MAV2 Class A-1 Note;
- (ii) a MAV2 Class A-2 Note;
- (iii) a MAV2 Class B Note; and
- (iv) a MAV2 Class C Note.

The aggregate principal amount of MAV2 Notes issued by MAV2 to a Noteholder will equal the aggregate settlement amount of Affected ABCP transferred by such Noteholder to MAV2 less the aggregate principal amount of any IA Tracking Notes issued by MAV2 to such Noteholder. The principal amount of a MAV2 Class A-1 Note issued to a Noteholder by MAV2 will reflect the Noteholder's aggregated indirect relative contribution to the aggregated value of the Transferred Synthetic and Hybrid Assets (excluding Ineligible Assets) transferred to MAV2, as determined by JPMorgan pursuant to the Relative Contribution Analysis; with the balance of the settlement amount of the Affected ABCP exchanged being represented by a combination of MAV2 Class A-2 Notes, the MAV2 Class B Notes, MAV2 Class C Notes and, if applicable, MAV2 IA Tracking Notes, the amounts of which will be determined according to the formula set forth in the Information Statement (see section entitled "*Allocation of Plan Notes in Exchange for Affected ABCP*").

MAV2 IA Tracking Notes will be issued by MAV2 for each underlying Ineligible Asset transferred to MAV2, with a separate class of MAV2 IA Tracking NoteNotes being issued by MAV2 for each individual Ineligible Asset transferred to MAV2. The aggregate principal amount of MAV2 IA Tracking Notes issued will equal the aggregate settlement amount of the Affected ABCP assumed by MAV2 that funded a particular Ineligible Asset acquired by MAV2.

(c) TA Tracking Notes

Noteholders holding a Series of Affected ABCP backed by Exclusively Traditional Assets shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP of such Series for a TA Tracking Note issued by MAV3 in an aggregate principal amount equal to the aggregate settlement amount of such

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Affected ABCP assumed by MAV3. Each, less the aggregate settlement amount of such Affected ABCP that funded an Ineligible Asset exchanged pursuant to Section 6.2(e). Each class of TA Tracking NoteNotes will be secured by the specific Exclusively Traditional Assets that previously secured the Series of Affected ABCP assumed by MAV3. Each (other than Ineligible Assets that secure MAV3 IA Tracking Notes). Each class of TA Tracking NoteNotes will have a maturity date equal to one year plus the longest maturity of the related Exclusively Traditional Assets, as set out in the Information Statement (see section entitled "*The TA Tracking Notes and the SN Tracking Notes*").

(d) **SN Tracking Notes**

Noteholders holding a Series of Subordinated ABCP shall, in full and final satisfaction of that portion of their Noteholder Settlement Claim, exchange and be deemed to exchange such Affected ABCP for an SN Tracking Note in an aggregate principal amount equal to the aggregate settlement amount of such Subordinated ABCP assumed by MAV3. Each SN Tracking Note will be secured by the particular Traditional Asset program entitlement that previously supported the Subordinated ABCP assumed by MAV3. Each SN Tracking Note will have a maturity date equal to one year plus the longest maturity of the related Traditional Asset program, as set out in the Information Statement (see section entitled "*The TA Tracking Notes and the SN Tracking Notes*").

(e) **MAV3 IA Tracking Notes**

Noteholders holding a Series of Affected ABCP backed by Exclusively Traditional Assets that are also Ineligible Assets shall, in full and final satisfaction of that portion of its Noteholder Settlement Claim, exchange such Affected ABCP of such Series for one or more MAV3 IA Tracking Notes issued by MAV3 in an aggregate principal amount equal to the aggregate settlement amount of the Affected ABCP assumed by MAV3 that funded a particular Ineligible Asset acquired by MAV3. One class of MAV3 IA Tracking Notes will be issued for each Ineligible Asset that previously secured the Affected ABCP (provided that in the case of Ironstone Trust, 5 classes of MAV3 IA Tracking Notes will be issued in exchange for the two Series of Affected ABCP thereof). Each MAV3 IA Tracking Note will have a maturity date equal to one year plus the longest maturity of the related Ineligible Asset, as set out in the Information Statement (see section entitled "*The MAV3 Notes*").

6.3 Payment of Professional and Administrative Expenses

On the Plan Implementation Date, all outstanding fees and disbursements payable under the Initialany Order, including those subject to a CCAA Charge, shall be fully paid or a reserve for such amount fully funded as determined by the Monitor. Parties entitled to be paid hereunder shall have 3060 days from the Plan Implementation Date, or such later date as may be agreed with the Monitor, to submit final invoices to the Monitor for payment. Any reserve shall be administered by the Monitor.

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6.4 Restructuring Expenses

On the Plan Implementation Date, pro-rata payments shall be made from each of the ABCP Conduits excluding the Subordinated ABCP (on a series by series basis based on the total principal-amount Face Amount of each series of Affected ABCP other than the Subordinated ABCP) to fund the payment of, and/or a reserve for, the reimbursement to the Investors Committee for the total amount of fees and disbursements and compensation, paid or owed by the Investors Committee to the following advisors in connection with the restructuring from and after August 16, 2007 to the Plan Implementation Date: and where applicable to beyond the Plan Implementation Date: Purdy Crawford, JPMorgan, Goodmans LLP, Ernst & Young Inc, and its counsel (until appointed Monitor by the Court), Broadridge Financial Solutions Inc., CIBC Mellon Trust Company, Torys LLP, McCarthy Tetrault LLP, BCF LLP, Skadden, Arps, Slate, Meagher & Flom LLP, Osler, Hoskin & Harcourt LLP, John D. Ground and his counsel, DBRS and their counsel, BlackRock, CDS Clearing and National PR and additionally, in respect of fees, disbursements and compensation prior to March 1, 2008, PricewaterhouseCoopers Inc. in its capacity as financial advisors to the Ad Hoc Committee of Non-Bank Sponsored Asset-Backed Commercial Paper and Miller Thomson LLP as its counsel. Any reserve shall be administered by the Monitor and said advisors will have 3060 days from the Plan Implementation Date, or such later date as may be agreed with the Monitor, to submit final invoices for payment.

6.5 CCAA Charges

Subject to Section 7.2(i), upon payment of or the funding of a reserve sufficient to pay all the expenses referred to in 6.3 and 6.4 that are subject to a CCAA Charge, such funding or reserve to be administered by the Monitor, such CCAA Charge shall be and be deemed to be discharged.

6.6 Interest

~~The Investors Committee, with the assistance of the Monitor, will review the amounts accumulated in the ABCP Sponsors' accounts and the amount of such monies required to be pledged as collateral for the MAVs (including collateral required to supplement margin funding commitments as a consequence of Noteholder elections to participate in MAV1) or for the payment of administrative, restructuring and other applicable costs to estimate surplus funds available by Series. Those surplus funds will be used for the payment of interest to Noteholders on or after the Plan Implementation Date. The amount payable to Noteholders on account of interest (the "Interest Entitlement") on Affected ABCP as of the Plan Implementation Date shall be determined by the Investors Committee with the assistance of the Monitor and shall be limited to and calculated in reference to, those surplus funds. The amount of surplus funds available for the payment of interest shall be communicated to the Noteholders immediately following its determination. Any right of Noteholders to receive interest in excess of the Interest Entitlement will be extinguished before the exchange of Affected ABCP described in Section 5.2(h) occurs.~~

6.7 Distributions of Plan Notes — Procedure

Registered Noteholders (whose names appear on the registers maintained by the Issuing and Paying Agents) and participants ("Institutional Participants") in the clearing and depository

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systems maintained by CDS Clearing & Depository Services Inc. in respect of Affected ABCP for which CDS Clearing & Depository Services Inc. is the registered holder (collectively, "Depositing Holders") will be required to properly complete and deliver tender and transmittal documentation, together with all physical certificates held by such Depositing Holder (if any), to the Depository (either directly or indirectly using the automated CDSX on-line system), as directed by the Monitor and the Depository. Following the Plan Implementation Date, upon receipt of all properly completed required documentation, the Depository will deliver (or instruct the New Indenture Trustees/Trustee to deliver) to such Depositing Holders the Plan Notes to which each is entitled in accordance with this Plan, which Plan Notes may be delivered directly by way of physical certificates or by way of a confirmation of a global deposit position with CDS Clearing & Depository Services Inc., as appropriate. Certain holders of Plan Notes may be required to continue to hold physical certificates. Depositing Holders who fail to deliver the required documentation within two (2) years of the Plan Implementation Date may be barred, at the option of the applicable MAVs, from receiving distributions of Plan Notes in respect of such Affected ABCP. No Plan Note will be issued in an amount less than one dollar (\$1). All amounts will be rounded down to the nearest whole dollar. The transmittal documentation (including any letter of transmittal) will include instructions as to the calculation of entitlements to Plan Notes, including for the purposes of allocating to beneficial holders on behalf of whom a Depositing Holder may hold Affected ABCP.

ARTICLE 7 SANCTION ORDER

7.1 Application for Sanction Order

The application for the Sanction Order shall be brought by the Investor Committee as soon as reasonably practicable following the approval of this Plan by the requisite majorities of Noteholders voting at the Meeting. On the Plan Implementation Date, subject to the satisfaction of the conditions contained in Article 8 herein, this Plan will be binding upon all Noteholders and all other Persons in accordance with its terms.

7.2 Effect of Sanction Order

In addition to sanctioning this Plan, and subject to the discretion of the CCAA Court, the Sanction Order shall, among other things and without limitation:

- (a) direct and authorize the distributions contemplated under this Plan;
- (b) declare that the compromises, releases and injunctions effected hereby are approved, binding and effective as of the Plan Implementation Date upon all Noteholders, the Monitor and all other Persons affected by this Plan and shall inure to the benefit of all such Persons;
- (c) provide that no Person who is a party to any obligation or agreement with the CCAA Parties shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other

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remedy) or make any demand under or in respect of any such obligation or agreement, by reason:

- (i) of any event(s) that occurred on or prior to the Plan Implementation Date that would have entitled any other Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the CCAA Parties);
- (ii) of the fact that relief under the CCAA has been sought or obtained in respect of the CCAA Parties, that the CCAA Proceedings have been commenced or completed, or that the within restructuring has been implemented in respect of the CCAA Parties; or
- (iii) of any compromises or arrangements effected pursuant to this Plan;
- (d) confirm the effect of the Meeting Order;
- (e) authorize and direct the execution and delivery of the Approved Agreements by the CCAA Parties;
- (f) form the basis for an exemption from the registration requirements of the *United States Securities Act* of 1933, as amended, in respect of certain securities to be issued pursuant to the Plan;
- (g) provide for a release of the Released Parties in a form consistent with Section 10.1;
- (h) provide that the Monitor shall be discharged and released on the Plan Implementation Date, save and except with respect to any remaining duties or powers required to implement and give effect to the terms of this Plan; and
- (i) provide that the Monitor shall continue to hold the benefit of a CCAA Charge, as provided in the Initial CCAA Order, until the Monitor has completed its duties under this Plan and the fees and disbursements of the Monitor and its counsel have been fully paid.

7.3 Monitor

On the Plan Implementation Date, and subject to the Sanction Order and any other Orders, the Monitor shall be discharged and released and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Plan.

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ARTICLE 8 CONDITIONS PRECEDENT

8.1 Conditions Precedent to Implementation of Plan

The implementation of this Plan shall be conditional upon the fulfillment or waiver of the following conditions on or before the Plan Implementation Date:

(a) *Approval by Noteholders*

The Plan shall have been approved pursuant to the CCAA by the Noteholders' Class;

(b) *Granting of Sanction Order*

The Sanction Order shall have been granted by the CCAA Court in a form acceptable to the Plan Participants;

(c) *Expiry of Appeal Periods*

The appeal periods and any periods for leave to appeal with respect to the Sanction Order shall have expired without an appeal or application for leave to appeal of such Order having been commenced or, in the event of an appeal or application for leave to appeal, a final determination denying leave to appeal or dismissing such appeal and affirming the sanctioning of this Plan and recognizing the sanctioning of this Plan, as the case may be, shall have been made by the applicable appellate court, with no further right of appeal;

(d) *Approved Agreements*

Each of the Approved Agreements and all related agreements and other documents shall have become effective in a form acceptable to the Plan Participants, and all conditions to closing shall have been satisfied or waived in accordance with their respective terms, subject only to the occurrence of the Plan Implementation Date;

(e) *Repayment of PSF Notes*

Payment shall have been made to the holders of the PSF Notes by the respective issuing Conduits, in the amount of the principal and accrued interest outstanding on their PSF Notes;

(f) *Disengagement of GD Swaps*

The GD Swap Restructuring Agreements shall have become effective and the restructuring of the GD Swaps contemplated thereby shall have been implemented in accordance with their terms;

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(g) ***Issuance of Plan Notes***

The authorization and issuance of Plan Notes contemplated under this Plan, including all necessary corporate filings and related matters, subject only to the occurrence of the Plan Implementation Date;

(h) ***Tax Ruling***

An advance income tax ruling satisfactory to the Investors Committee shall have been obtained from the Canada Revenue Agency;

(i) ***Completion of Necessary Documentation***

The execution and delivery by all relevant Persons of all agreements, settlements, resolutions, indentures, releases, documents and other instruments that are necessary to be executed and delivered to implement and give effect to all material terms and provisions of this Plan.

Any waiver in whole or in part, of conditions in this Section 8.1 must be in accordance with Section 8.2.

8.2 Waiver

Any waiver of conditions in Section 8.1 shall be in writing. The Investors Committee, with the prior written consent of the Monitor and the Plan Participants, shall have the right to waive one or more of the above conditions precedent in whole or in part, except the conditions set out in Section 8.1(a) or 8.1(b).

8.3 Monitor's Certificate

Upon the satisfaction or waiver of the conditions set out in Section 8.1 hereof, the Monitor shall file with the CCAA Court in the CCAA Proceedings a certificate that states that all conditions precedent set out in Section 8.1 of this Plan have been satisfied or waived and that the Plan Implementation Date has occurred.

8.4 Termination of Plan for Failure to Become Effective

If the Plan Implementation Date shall not have occurred on or before 60 days following the date of the Sanction Order, or such later date as the Investors Committee, the Monitor and the Plan Participants may agree in writing, then, subject to further Order of the CCAA Court, this Plan shall automatically terminate and be of no further force or effect; provided that this Plan shall not automatically terminate pursuant to this section if the sole basis for the non-occurrence of the Plan Implementation Date is the pendency of any appeal or application for leave to appeal with respect to the Sanction Order.

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ARTICLE 9 EFFECT OF PLAN

9.1 Effect of Plan Generally

The Plan (including, without limitation, the releases and injunctions contained in the Plan), upon being sanctioned and approved by the CCAA Court pursuant to the Sanction Order, shall be binding on the Plan Implementation Date on the Noteholders and all other Persons (and each of their respective heirs, executors, administrators, guardians, legal personal representatives, successors and assigns) irrespective of the jurisdiction in which such Noteholders and other Persons reside, or in which the claims arose.

9.2 Consents, Waivers and Agreements

On the Plan Implementation Date, each Noteholder shall be deemed to have consented and agreed to all of the provisions of this Plan and the Approved Agreements in their entirety. In particular, each Noteholder shall be deemed:

- (a) to have executed and delivered to the Monitor and to the Plan Participants all ~~consents, releases or agreements required to implement and carry out this Plan in~~ its entirety; and
- (b) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Noteholder and the Plan Participants at the Plan Implementation Date (other than those entered into by the Plan Participants in writing on or after the date hereof) and the provisions of this Plan, the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

9.3 Exculpation

The Plan Participants, the Original Issuer Trustees, the Administrative Agents, the Financial Services Agents, the Selkirk Sub-Trust Parties, the Issuing and Paying Agents, the Existing Note Indenture Trustees, DBRS, JPMorgan, National PR, Goodmans LLP, Ernst & Young Inc., in its capacity as consultant to the Investors Committee prior to its appointment as Monitor and as the Monitor and BlackRock (including in each case, their respective affiliates, directors, officers, employees, associated individuals, agents and representatives) and any of their respective professional advisors, shall have no liability or obligation to any Person for their role, or any act or omission, in connection with the standstill that has been observed since August 15, 2007 (the "Standstill"), the CCAA Proceedings, activities undertaken in preparation for or anticipation of the CCAA Proceedings, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the property to be distributed under the Plan; provided, however, that this Section 9.3 shall not limit the obligations of any Person under the Plan or specifically assumed or undertaken pursuant to the Approved Agreements.

9.4 Crown Claims

Any claims of the federal and provincial Crowns of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or any substantially similar provision in Canada of provincial legislation or in respect of which the federal or provincial Crown has a lien on or security interest in the property of the CCAA Parties or recourse for non-payment against directors or officers of the CCAA Parties, outstanding under the provisions of said subsection 224(1.2) or substantially similar provincial legislation, or any other such claims of the federal or provincial Crown shall be paid on or before the Plan Implementation Date.

ARTICLE 10 RELEASES AND INJUNCTIONS

10.1 Release of the Released Parties

For good and valuable consideration, every Person (regardless of whether or not such Person is a Noteholder), including each of the Released Parties on the Person's own behalf and on behalf of the Person's respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, hereby fully, finally, irrevocably and unconditionally releases and forever discharges each of the Released Parties of and from any and all past, present and future claims, rights, interests, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including attorneys' fees and liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly: any act, inaction or omission existing or taking place on or prior to the Plan Implementation Date relating to or otherwise in connection with the Third-Party ABCP market in Canada, the ABCP Conduits, the Affected ABCP, the business and affairs of any of the Released Parties relating to or otherwise in connection with the Affected ABCP, Affected ABCP Credit Default Swaps, the LSS Assets, Hybrid Assets and Traditional Assets, including without limitation any of such assets that are Ineligible Assets, the CCAA Proceedings, the activities undertaken or not undertaken as a result of the Standstill, in anticipation of or preparation for the restructuring of the Affected ABCP and/or the CCAA Proceedings, the Information Statement, the Meeting or the Plan (collectively, the "ABCP Market Claims"); and each Person shall not make or continue any claims or proceedings whatsoever based on, in connection with, arising out of, or in any way related to, in whole or in part, directly or indirectly, the substance of the facts giving rise to any matter herein released (including, without limitation, any action, cross-claim, counter-claim, third party action or application) against any Person who claims or might reasonably be expected to claim in any manner or forum against one or more of the Released Parties, including, without limitation, by way of contribution or indemnity, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, and that in the event that any of the Released Parties are added to such claim or proceeding, it will immediately discontinue any such claim or proceeding. Notwithstanding the foregoing, nothing herein shall release or discharge a Released Party from its obligations, if any,

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under the Plan or any Approved Agreements. This Section 10.1 does not apply to Unaffected Claims.

10.2 Injunction

All Persons (regardless of whether or not such Persons are Noteholders), along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to ABCP Market Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan. This Section 10.2 does not apply to Unaffected Claims or to the enforcement of any obligations under the Plan or any Approved Agreements.

10.3

Notwithstanding sections 10.1 and 10.2, nothing in this Plan shall: (i) release, enjoin or compromise claims against directors of the Respondents that are described in Section 5.1(2) of the CCAA; or (ii) stay, release, discharge, bar, enjoin or otherwise interfere with any powers or remedies of, or proceedings or investigations by, any regulatory or self-regulatory body having jurisdiction (pursuant to any applicable statute, regulation, rule or, in the case of the Investment Industry Regulatory Organization of Canada, contract) over any Released Party concerning such Released Party's involvement in the creation, issue, sale or rating of any Affected ABCP, provided that sections 10.1 and 10.2 would be effective to release and enjoin the making of any order or award to compensate or make restitution to an aggrieved person or company or to pay general or punitive damages to any other person or company.

10.4

Without derogating from Section 9.3, Sections 10.1 and 10.2 do not apply to an Excepted Claim (and only an Excepted Claim as strictly defined herein) by a Potential Plaintiff (as hereinafter defined) against a Potential Defendant (as hereinafter defined) for Damages (as hereinafter defined), provided that:

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- (a) for the purposes of this Section 10.4, a "Potential Plaintiff" shall mean a Noteholder other than:
- (i) ABCP Dealers, including any ABCP Dealer that is an institution represented by a member of the Investors Committee, the Asset Providers, and the Canadian Banks, together with, in all cases, all subsidiaries thereof and affiliates thereof, both upstream and downstream;
 - (ii) the following Noteholders that are institutions represented by members of the Investors Committee: Alberta Treasury Branches operating as ATB Financial, Caisse de Dépôt et Placement du Québec, Canada Mortgage and Housing Corporation, Canada Post Corporation, Credit Union Central of Alberta Limited, Credit Union Central of British Columbia, Credit Union Central of Canada, Credit Union Central of Ontario, Credit Union Central of Saskatchewan, Desjardins Group, Magna International Inc., NAV Canada, Northwater Capital Management Inc., Public Sector Pension Investment Board, and The Governors of the University of Alberta in respect of all Affected ABCP under the direct or indirect (including through affiliates) ownership, administration, management or control of the foregoing Noteholders, including but not limited to the Affected ABCP such Noteholders indicated to the Monitor for the purposes of voting on the Plan (collectively, the "Noteholders' Affected ABCP"), and all other Persons, including all subsidiaries and affiliates of the foregoing Noteholders both upstream and downstream, in respect of the Noteholders' Affected ABCP; and
 - (iii) any clients or former clients of Canaccord Capital Corporation and Credential Securities Inc. that receive the payments contemplated by the publicly-announced "Canaccord Relief Program" or the "Credential Relief Program" (together, the "Programs"), provided that any client or former client of Canaccord Capital Corporation or Credential Securities Inc. that elected to participate in the Programs who does not receive payment of the purchase price to be paid by Canaccord Capital Corporation or Credential Securities Inc. before the end of the 20th business day after the completion of the distribution of Plan Notes shall be eligible and permitted to be a "Potential Plaintiff" for the purposes of this Section 10.4 and the nine week time period referenced in Section 10.4(f)(ii) shall commence as of that date;
- (b) for the purposes of this Section 10.4 and an Excepted Claim, "Potential Defendant" shall mean the ABCP Dealer that sold the specific Affected ABCP which is the subject of the Excepted Claim;
- (c) for the purposes of this Section 10.4, "Excepted Claim" shall mean a claim that contains all of the allegations required by Section 10.4(d) hereof and is based on allegations that the Potential Plaintiff suffered damages (or, if civil law applies to an Excepted Claim, prejudice) as a direct result of purchasing specific Affected ABCP in reliance on express fraudulent misrepresentations relevant to such specific Affected ABCP made directly by an authorized representative of the

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Potential Defendant to the Potential Plaintiff at the time such specific Affected ABCP held by the Potential Plaintiff was purchased from the Potential Defendant, that the representative made with the intention of inducing the Potential Plaintiff to purchase such specific Affected ABCP and that the representative knew to be false, and to be successful in such claim, each element of the Excepted Claim as set forth in this Section 10.4(c) and the particulars required by Section 10.4(d) must be proven; provided that, for greater certainty, nothing in this Section 10.4(c) is intended to create a new cause of action;

(d) for the purposes of this Section 10.4, the initial pleadings of an Excepted Claim shall set out particulars of the following elements:

(i) the allegation that an authorized representative of a Potential Defendant made one or more express fraudulent misrepresentations directly to the Potential Plaintiff at the time of the sale of such specific Affected ABCP purchased by the Potential Plaintiff from the Potential Defendant with the intention to induce the Potential Plaintiff to purchase such specific Affected ABCP;

~~(ii) the allegation that the representations of the Potential Defendant's authorized representative was knowingly false to the knowledge of the representative where the Potential Plaintiff identifies:~~

1. the name of the authorized representative of the Potential Defendant, including position if known;
2. the person or persons to whom the representation was made, including position with the Potential Plaintiff;
3. the date or dates of the purchase of such specific Affected ABCP;
4. the text of the representation said to be materially untrue and whether oral or in writing;
5. the action taken by the Potential Plaintiff in reliance on the representation;

(iii) the allegation that the Potential Plaintiff placed reliance on the representation and the basis on which it is alleged that the reliance was reasonable; and

(iv) the detriment alleged to be suffered by the Potential Plaintiff;

(e) the Potential Defendant may move before the CCAA Court for a determination that the claim of the Potential Plaintiff, as pled, does not constitute an Excepted Claim, and the determination of the CCAA Court shall be binding on the parties;

(f) the Sanction Order shall provide that, notwithstanding any motion or application for leave to appeal or appeal from the Sanction Order, the Monitor shall notify all

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Potential Plaintiffs of their rights under this Section 10.4 within five Business Days following the date of the Sanction Order and a Potential Plaintiff shall only have the right to pursue an Excepted Claim if:

- (i) the Potential Plaintiff expressly waives the application of Sections 10.1 and 10.2 as it applies to any defences or counterclaims against the Potential Plaintiff that the Potential Defendant may wish to assert;
- (ii) subject to Section 10.4(a)(iii), the Potential Plaintiff serves and files an initial pleading in a proceeding to pursue the Excepted Claim containing the particulars required by Section 10.4(d) within nine weeks of the date of delivery of notice by the Monitor;
- (iii) the Potential Plaintiff affords to the Potential Defendant the opportunity, which the Potential Defendant may exercise within 10 days of service of the Potential Plaintiff's initial pleading, to offer to purchase the Potential Plaintiff's Plan Notes issued on account of the specific Affected ABCP that is the subject of the Excepted Claim free and clear of any encumbrances (the "Subject Plan Notes"), and if the Subject Plan Notes are purchased by the Potential Defendant, then the Potential Plaintiff shall post cash or a letter of credit acceptable to the Potential Defendant as security in an amount equal to the estimated legal costs on a full indemnity basis (as may be determined by the Court in which the proceeding is commenced) of the Potential Defendant with respect to the Excepted Claim;
- (iv) if the Subject Plan Notes are not sold pursuant to (iii) above, the Potential Plaintiff shall post upon receipt its unencumbered Subject Plan Notes as security for costs relating to the proceeding provided that the Potential Plaintiff shall not be required to post any Subject Plan Notes (and if Subject Plan Notes have been posted, the Potential Plaintiff shall be entitled to release and possession of such notes) upon posting cash or a letter of credit acceptable to the Potential Defendant as security in an amount equal to the estimated legal costs on a full indemnity basis (as may be determined by the Court in which the proceeding is commenced) of the Potential Defendant with respect to the Excepted Claim; and
- (v) a Potential Plaintiff which has continued to hold or has received, as the case may be, the unencumbered Subject Plan Notes, after posting cash or a letter of credit as security for costs in accordance with Section 10.4(f)(iv), shall be entitled to encumber or dispose of any or all of such Subject Plan Notes;
- (g) except as provided in this Section 10.4, Sections 10.1 and 10.2 shall remain in full force and effect, and for greater certainty,

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- (i) a Potential Plaintiff may not commence any claim other than an Excepted Claim;
 - (ii) a Potential Plaintiff may pursue an Excepted Claim only as provided by, and in accordance with the time limits set out in, this Section 10.4, and any Excepted Claim that is not pursued as provided by, and in accordance with the time limits set out in, this Section 10.4 is subject to Sections 10.1 and 10.2 and therefore is forever released and barred;
 - (iii) no claim other than an Excepted Claim shall be advanced by any Potential Plaintiff, even if such claim arises from the same set of facts that allegedly give rise to the Excepted Claim, and the Excepted Claim may not be expanded by the Potential Plaintiff through the discovery process provided that adding further factual particulars in respect of the Excepted Claim through the discovery process shall not be an expansion of the Excepted Claim; and
 - (iv) a Potential Defendant may not under any circumstances seek contribution, indemnity or other relief over in respect of an Excepted Claim from another Released Party (other than the Potential Plaintiff, as contemplated by Section 10.4(f)(i)) where a Potential Plaintiff pursues an Excepted Claim against that Potential Defendant in accordance with this Section 10.4;
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- (h) a Potential Plaintiff who proves each element of an Excepted Claim and proves the particulars thereof set forth in Section 10.4(d) shall be entitled to no more than damages ("Damages") equal to the difference between (i) the principal amount of the specific Affected ABCP, together with interest thereon, and (ii) the value of the consideration, including the Subject Plan Notes and any amounts distributed to the Potential Plaintiff on the Subject Plan Notes, previously distributed on account of such specific Affected ABCP through the implementation of the Plan. The value of the consideration in (ii) with respect to Subject Plan Notes that have been disposed of by the Potential Plaintiff shall be the greatest of (x) the proceeds of disposition of such Subject Plan Notes together with any amounts previously distributed thereon, (y) the value of such Subject Plan Notes at the date of judgment on the Excepted Claim, together with any amounts previously distributed thereon, and (z) to the extent that the Potential Defendant purchases Plan Notes in a bona fide arm's length purchase at fair market value of the same class as the Subject Plan Notes within a reasonable period of time prior to the date Damages are assessed in respect of the Excepted Claim ("Purchased Plan Notes"), the purchase price paid by the Potential Defendant for the Purchased Plan Notes together with any amounts previously distributed on such Subject Plan Notes plus, to the extent that the Purchased Plan Notes are less in principal amount than the Subject Plan Notes, the value of the balance of Subject Plan Notes that the Potential Plaintiff disposed of computed as the greater of (x) and (y) in respect of such balance. Where the Potential Plaintiff is entitled to receive Damages, both the Potential Plaintiff and the Potential Defendant shall have the option of requiring the unsuccessful Potential Defendant to purchase, or requiring

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the Potential Plaintiff to sell to the Potential Defendant, as the case may be, the balance of the Potential Plaintiff's Subject Plan Notes as the Potential Plaintiff shall then hold and which were issued on account of the specific Affected ABCP for which Damages are payable, free and clear of any encumbrances, for the amount set out in (i) in respect of the specific Affected ABCP on account of which such Subject Plan Notes were issued, less any amounts previously distributed to the Potential Plaintiff as contemplated by (ii) in respect of the specific Affected ABCP on account of which such Subject Plan Notes were issued and on those Subject Plan Notes; and

- (i) the successful litigant will be entitled to legal costs on a full indemnity basis with respect to Excepted Claim(s).

ARTICLE 11 GENERAL PROVISIONS

11.1 Plan Amendment

_____ The Investors Committee reserves the exclusive right to amend this Plan, in a written document filed with the CCAA Court, at any time prior to the Plan Implementation Date, with the prior written consent of the Asset Providers and MFF Lenders, provided that:

- (a) prior to or during the Meetings, any such amendment must be communicated to the Noteholders in such manner as may be agreed by the Monitor, or as may be ordered by the CCAA Court;
- (b) after the Meeting, an amendment may be made if it concerns a matter which, in the opinion of and the Monitor, acting reasonably, or as declared by the CCAA Court, is of an administrative nature required to better give effect to the implementation of this Plan and/or to the Sanction Order and is not materially prejudicial to the interests of the Noteholders or the Plan Participants;
- (c) after the Meeting, any other amendment may only be made if approved by the CCAA Court;
- (d) any amendment that materially alters the effect of Section 10.1 or Section 10.2 of this Plan or the terms of any of the Approved Agreements must be approved by any Plan Participants affected by the proposed amendment, modification or supplement; and
- (e) any supplementary plan or plans of compromise or arrangement filed by the Investors Committee with the CCAA Court and, if required by this Section 11.1, approved by the CCAA Court, shall, for all purposes be a part of and incorporated in this Plan.

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11.2 Exclusion from Plan

With the consent of firstly the Plan Participants and thereafter, the Monitor at any time prior to the Plan Implementation Date, the Investors Committee may exclude any of the CCAA Parties under this Plan and proceed with this Plan, which will thereafter be applicable to any remaining CCAA Parties only. Without delay after obtaining the consent of the Plan Participants and the Monitor, the Investors Committee will: (i) file a notice regarding the exclusion of the CCAA Party with the Court; (ii) request that the Monitor post the notice on the Website; and (iii) send a copy of the notice by regular pre-paid mail to all known Noteholders holding ABCP of the excluded CCAA Party. If a CCAA Party is so excluded, this Plan will be read and interpreted in all respects as if such CCAA Party and all Claims against such CCAA Party are unaffected by this Plan.

11.3 Severability

In the event that any provision in this Plan is held by the CCAA Court to be invalid, void or unenforceable, this Plan shall be null and void in all respects, with effect in accordance with Section 11.4 hereof.

11.4 Termination

At any time prior to the Plan Implementation Date, the Investors Committee may, subject to further order of the CCAA Court, determine not to proceed with this Plan notwithstanding any prior approvals given at the Meeting or the obtaining of the Sanction Order. If the conditions precedent to implementation of this Plan are not satisfied or waived, if the Investors Committee determines not to proceed with this Plan, if the CCAA Court holds any provision of this Plan to be invalid, void or unenforceable or if the Sanction Order is not issued by the CCAA Court: (a) this Plan shall be null and void in all respects; (b) any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (c) nothing contained in this Plan, and no act taken in preparation of the consummation of this Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Noteholder Claims or any defences thereto by or against any of the CCAA Parties or any other Person; (ii) prejudice in any manner the rights of any of the Noteholders, the CCAA Parties or any other Person in any further proceedings involving one or more of the CCAA Parties; or (iii) constitute an admission of any sort by any of the Noteholders, the CCAA Parties or any other Person.

11.5 Covenant of the Plan Participants

Each Plan Participant hereby covenants and agrees, and is deemed to covenant and agree to execute and deliver, on or after the Effective Time, all such agreements, instruments and documents and to take all such further actions as any of the other Plan Participants may reasonably deem necessary from time to time (at the requesting Plan Participant's expense) to carry out the intent and purposes of this Plan and the Approved Agreements and to consummate the transactions contemplated hereby.

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11.6 Paramountcy

From and after the Plan Implementation Date, any conflict between: (a) this Plan; and (b) any information statement or summary in respect of this Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, loan agreement, commitment letter, document or agreement, written or oral, and any and all amendments and supplements thereto existing between any of the CCAA Parties and any Noteholder or other Person as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

11.7 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings, and the Monitor will not be responsible or liable for any obligations of the CCAA Parties hereunder. The Monitor will have only those powers granted to it by this Plan, by the CCAA and by any Order of the CCAA Court in the CCAA Proceedings, including the Initial CCAA Order.

11.8 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

11.9 Notices

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery or by fax addressed to the respective parties as follows:

- (i) if to the Investors Committee:

Purdy Crawford, C.C., Q.C.

Attention: Chair

Fax: (416) 862-6666

with a copy to:

Goodmans LLP
250 Yonge Street, Suite 2400
Toronto, ON M5B 2M6

Attention: Stephen H. Halperin, Esq.

Fax: (416) 979-1234

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(ii) if to a Noteholder:

to the known address (including fax number or email address) for such Noteholder or, if a Noteholder has filed a Voter Identification Form in accordance with the Meeting Order, the address for such Noteholder specified therein;

(iii) if to the Monitor:

Ernst & Young Inc.
222 Bay Street
Toronto-Dominion Centre
Toronto, ON M5J 1J7

Attention: Mike P. Dean
Fax: 416.943.3300

with a copy to:

~~Borden Ladner Gervais LLP~~
Scotia Plaza
40 King Street W.
Toronto, ON M5H 3Y4

Attention: Craig J. Hill / Marc Duchesne
Fax: 416.361.7301

or to such other address as any party may from time to time notify the others in accordance with this Section 11.9. All such notices and communications that are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications that are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Eastern Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Plan.

11.10 Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, trustee, administrator, successor or assign of such Person.

11.11 Further Assurances

Notwithstanding that the transactions and events set out in this Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers, assurances, instruments, documents or discharges as

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may be reasonably required by the Investors Committee ~~or~~, the Monitor or the Administrator in order to implement and give effect to this Plan.

11.12 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to any conflict of law provision that would require the application of the law of any other jurisdiction. In the event of any dispute or issue in connection with, or related to, the interpretation, application or effect of this Plan, such dispute or issue shall be subject to the exclusive jurisdiction of the CCAA Court.

Dated at Toronto, Ontario, as of this 5th day of June , 2008 .

Schedule "A"

List by Series of Affected ABCP

Apollo Trust	Series A Series E Series H
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Apsley Trust	Series A
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Aria Trust	Series A Series E
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Aurora Trust	Series A Series B Series C Series E Series F
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Comet Trust	Series A Series E Series F
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Encore Trust	Series A Series E
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Gemini Trust	Series A Series E Series F
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Ironstone Trust	Series A Series B
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MMAI-I Trust	Series A
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Newshore Canadian Trust Series A
Series 01-1

Opus Trust Series A
Series E

Planet Trust Series A
Series E
Series F
Series L8

Rocket Trust Series A
Series B
Series D
Series E
Series F

Selkirk Funding Trust Series A

Silverstone Trust Series A

Slate Trust Series A-1
Series E-1

Structured Asset Trust Series A-1
Series E-1
Series L-1

Structured Investment Trust
III Series A
Series E

Symphony Trust Series A
Series E

Whitehall Trust Series A

SCHEDULE "D"

Terminated Hedge Transactions

Laurentian Bond Futures Contracts (Short Positions)

1. Opus Trust: 1023 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with Laurentian Bank Securities
2. Aria Trust: 466 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with Laurentian Bank Securities
3. Symphony Trust: 1018 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with Laurentian Bank Securities
4. Encore Trust: 760 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with Laurentian Bank Securities

NewEdge Bond Futures Contracts (Short Positions)

- ~~5. Opus Trust: 759 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with NewEdge Canada Inc.~~
6. Aria Trust: 322 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with NewEdge Canada Inc.
7. Symphony Trust: 785 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with NewEdge Canada Inc.
8. Symphony Trust: 692 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with NewEdge Canada Inc.
9. Encore Trust: 777 CNH9, March 2009 Delivery 10-Year Canada Bond Futures Contracts with Newedge Canada Inc.
10. Newshore Canadian Trust: 85 CNH9, March 2009 Delivery 10-year Canada Bond Futures Contracts with NewEdge Canada Inc.

Merrill Lynch Bond Reverse Repurchase Agreement

11. Reverse repurchase of CAD55,130,000 notional CAN5.25% 06/01/2013 bonds pursuant to the terms of TBMA/ISMA Global Master Repurchase Agreement made as of September 27, 2004 between Merrill Lynch Canada Inc. and BNY Trust Company of Canada, in its capacity as issuer trustee of Aria Trust, Series E, represented by Newshore Financial Services Inc., its Administrative Agent

National Bank Swap Transactions

12. Swap Transaction made as of December 4, 2006 (Confirm #2298169) between National Bank of Canada and MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments V

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Corp., as Issuer Trustee, pursuant to an ISDA Master Agreement and Schedule dated
September 9, 2004

SCHEDULE "E"

Excluded Agreements*

1. Subject to paragraph 29 of this Order, all declarations of trust, settlement deeds, base trust agreements and series supplements supplemental to base trust agreements in respect of the ABCP Conduits or the Satellite Trusts, and all amendments and/or restatements of any of the foregoing
2. All amending agreements, redemption agreements, promissory notes, termination agreements, transfer agreements, assignment agreements, novation confirmations, novation amendment and assignment agreements, loan agreements, security agreements, custodial agreements, securitization agreements, releases, acknowledgements, undertakings, side letters, directions, resolutions, certificates, notices, instruments, transition services agreements and ancillary documents, and all amendments and/or restatements of any of the foregoing, as contemplated by the Plan and this Order, in respect of the ABCP Conduits or the Satellite Trusts and dated on the Plan Implementation Date or the day immediately prior to the Plan Implementation Date
3. All note indentures, co-ownership agreements, custodial agreements and ancillary documents pursuant to which the underlying Traditional Assets were issued, and all amendments and/or restatements of any of the foregoing
4. Termination Agreement dated as of December 31, 2008 among 1462888 Ontario Inc., as trustee of Constellation Credit Linked Trust (PML-M2) Series 2006-1, Principal Global Investors, LLC and UBS AG, London Branch

* All agreements and documents referenced in this Schedule shall include the same as may have been amended, restated, extended, modified, renewed, supplemented or assigned from time to time.

SCHEDULE "F"

Terminated Agreements*

Apollo Trust

1. Second Amended and Restated Trust Indenture made as of February 20, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee.
 2. Amended and Restated Series A Notes Supplement made as of February 20, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 3. Second Amended and Restated Series E Notes Supplement made as of February 20, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 4. Amended and Restated Series H Supplement made as of February 20, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
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5. Administration Agreement dated as of November 1, 2002 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and 1497643 Ontario Inc.
 6. Financial Arrangement Agreement dated as of November 1, 2002 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and Coventree Capital Group Inc.
 7. Deed of Hypothec dated February 16, 2001 by Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, in favour of General Trust of Canada, as Indenture Trustee
 8. Series B Notes Supplement made as of May 31, 2001 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and General Trust of Canada, as Indenture Trustee
 9. Series C Notes Supplement made as of December 18, 2001 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 10. Series F Notes Supplement made as of May 1, 2002 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee

* All agreements and documents referenced in this Schedule shall include the same as may have been amended, restated, extended, modified, renewed, supplemented or assigned from time to time.

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11. Series P Notes Supplement made as of March 1, 2004 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 12. Series O Notes Supplement made as of November 3, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 13. Series N Notes Supplement made as of July 2, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 14. Series M Notes Supplement made as of April 1, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 15. Series G Notes Supplement made as of August 28, 2002 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
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16. Series I Notes Supplement made as of November 1, 2002 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 17. Series J Notes Supplement made as of February 20, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 18. Series K Notes Supplement made as of February 3, 2003 between Apollo Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 19. Series L1 Notes Supplement made as of February 20, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 20. Series L2 Notes Supplement made as of May 29, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 21. Series L5 Notes Supplement made as of May 29, 2003 between Apollo Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
 22. Dealer Agreement made as of February 16, 2001 between Apollo Trust, by Coventree Capital Group Inc., as Securitization Agent, and National Bank of Canada
 23. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Apollo Trust

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24. All credit enhancement loan agreements between Apollo Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Apollo Trust

Apsley Trust

25. Trust Indenture made as of November 24, 2005 among Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
26. Series A Supplemental Indenture made as of November 24, 2005 among Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
27. First Supplement to Series A Supplemental Indenture made as of December 21, 2007 among Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
28. Administration Agreement dated as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and Metcalfe & Mansfield Capital Corporation
29. Financial Services Agreement dated as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and Quanto Financial Corporation
30. Deed of Hypothec to Secure Payment of Titles of Indebtedness dated January 10, 2006 by Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, in favour of CIBC Mellon Trust Company, as Indenture Trustee
31. Movable Hypothec dated January 10, 2006 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
32. Intercreditor Agreements dated as of January 17, 2006, May 2, 2006 and July 6, 2006, respectively, among Deutsche Bank AG, London Branch, CIBC Mellon Trust Company, as Indenture Trustee, and Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee
33. Agency Agreement made as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and National Bank Financial Inc.
34. Agency Agreement made as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and Deutsche Bank Securities Limited
35. Agency Agreement made as of November 24, 2005 between Apsley Trust, by Metcalfe &

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Mansfield Alternative Investments V Corp., as Issuer Trustee, and CIBC World Markets Inc.

36. Agency Agreement made as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and HSBC Bank Canada
 37. Agency Agreement made as of January 30, 2006 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and Société Générale Valeurs Mobilières Inc.
 38. Agency Agreement made as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and Laurentian Bank Securities Inc.
 39. Agency Agreement made as of November 24, 2005 between Apsley Trust, by Metcalfe & Mansfield Alternative Investments V Corp., as Issuer Trustee, and Desjardins Securities Inc.
 40. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Apsley Trust
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Aria Trust

41. Trust Indenture dated as of May 12, 2003 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
42. Aria Trust Amendment dated as of August 31, 2005 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
43. Global Amending Agreement No. 1 made as of September 21, 2007 between Aria Trust, among others, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
44. Series A Supplement made as of August 13, 2003 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
45. First Supplement to the Series A Supplement made as of January 26, 2004 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
46. Series E Supplement made as of August 13, 2003 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
47. First Amendment to the Series E Supplement dated as of July 31, 2006 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
48. Series 2005-2 Supplement made as of July 19, 2005 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee

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49. First Amendment to Series 2005-2 Supplement dated October 21, 2005 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
50. Series 2006-4 Supplement made as of August 15, 2006 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
51. Series 2007-4 Supplement made as of March 15, 2007 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
52. Administration Agreement dated as of May 12, 2003 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Newshore Financial Services Inc.
53. ISDA Master Agreement with a corresponding Schedule and Confirmation, both dated as of March 11, 2004 between Aria Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Deutsche Bank AG, Canada Branch
54. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Aria Trust

Aurora Trust

55. Trust Indenture made as of February 28, 2003 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
56. Series A Notes Supplement made as of February 28, 2003 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
57. Series B Supplement made as of April 30, 2004 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
58. Series C Supplement made as of April 30, 2004 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
59. Series E Notes Supplement made as of February 28, 2003 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
60. Series F Supplement made as of July 14, 2006 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
61. Administration Agreement dated as of February 28, 2003 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and 1497643 Ontario Inc.
62. Financial Arrangement Agreement dated as of February 28, 2003 between Aurora Trust,

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by BNY Trust Company of Canada, as Issuer Trustee, and Coventree Capital Group Inc.

63. Deed of Hypothec dated February 28, 2003 by Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, in favour of National Bank Trust Inc., as Indenture Trustee
64. Series L1 Notes Supplement made as of March 25, 2004 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
65. Series L4 Notes Supplement made as of December 19, 2005 between Aurora Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
66. All note issuance and paying agreements with NBCN Inc., NBCN Clearing Inc., Computershare Trust Company of Canada or Natcan Trust Company, as the case may be, in respect of any Affected ABCP issued by Aurora Trust
67. All credit enhancement loan agreements between Aurora Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Aurora Trust
68. All program amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof) in respect of an asset of Aurora Trust

Comet Trust

69. Amended and Restated Trust Indenture made as of February 20, 2003 between Comet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
70. Amended and Restated Series A Notes Supplement dated as of February 20, 2003 between Comet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
71. Amended and Restated Series E Notes Supplement made as of February 20, 2003 between Comet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
72. Amended and Restated Series F Supplement made as of February 20, 2003 between Comet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
73. Administration Agreement dated as of November 1, 2002 between Comet Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and 1497643 Ontario Inc.
74. Financial Arrangement Agreement made as of November 1, 2002 between Comet Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and Coventree Capital Group Inc.
75. Deed of Hypothec dated January 25, 2002 by Comet Trust, by The Trust Company of

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Bank of Montreal, as Issuer Trustee, in favour of National Bank Trust Inc., as Indenture Trustee

76. Series L1 Notes Supplement made as of February 20, 2003 between Comet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
77. Series L2 Notes Supplement made as of May 29, 2003 between Comet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
78. Dealer Agreement made as of February 11, 2002 between Comet Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, Coventree Capital Group Inc. and HSBC Bank Canada
79. Dealer Agreement made as of February 11, 2002 between Comet Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, Coventree Capital Group Inc. and CIBC World Markets Inc.
80. Dealer Agreement made as of February 11, 2002 between Comet Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, Coventree Capital Group Inc. and Laurentian Bank Securities
81. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Comet Trust
82. All credit enhancement loan agreements between Comet Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Comet Trust
83. All program amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof) in respect of an asset of Comet Trust

Encore Trust

84. Trust Indenture dated as of October 15, 2005 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
85. Global Amending Agreement No. 1 made as of September 21, 2007 between Encore Trust, among others, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
86. Series A Supplement made as of October 15, 2005 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
87. Series E Supplement made as of October 15, 2005 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
88. First Amendment to Series E Supplement made as of July 31, 2006 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust

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Company, as Note Trustee

89. Series 2006-1 Supplement made as of June 15, 2006 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
 90. Series 2006-2 Supplement made as of March 15, 2006 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
 91. Series 2006-4 Supplement made as of September 15, 2006 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
 92. Series 2006-7 Supplement made as of May 1, 2006 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
 93. Series 2007-4 Supplement dated as of March 15, 2007 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
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94. Administration Agreement dated as of October 15, 2005 between Encore Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Newshore Financial Services Inc.
 95. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Encore Trust

Gemini Trust

96. Amended and Restated Trust Indenture made as of February 20, 2003 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
97. Amended and Restated Series A Notes Supplement made as of February 20, 2003 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
98. Amended and Restated Series E Notes Supplement made as of February 20, 2003 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
99. Amended and Restated Series F Supplement made as of February 20, 2003 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
100. Administration Agreement dated as of November 1, 2002 between Gemini Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and 1497643 Ontario Inc.
101. Financial Arrangement Agreement dated as of November 1, 2002 between Gemini Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and Coventree Capital

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Group Inc.

102. Deed of Hypothec dated January 25, 2000 by Gemini Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, in favour of National Bank Trust Inc., as Indenture Trustee
103. Series L2 Notes Supplement made as of May 29, 2003 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
104. Series L3 Notes Supplement made as of June 25, 2003 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
105. Series L4 Notes Supplement made as of February 22, 2006 between Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
106. Dealer Agreement made as of October 15, 2002 between Gemini Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, Coventree Capital Group Inc. and CIBC World Markets Inc.
107. Participation Agreement made as of November 25, 2004 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Gemini Trust, by BNY Trust Company of Canada, as Issuer Trustee
108. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Gemini Trust
109. All credit enhancement loan agreements between Gemini Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Gemini Trust
110. All program amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof) in respect of an asset of Gemini Trust

Ironstone Trust

111. Trust Indenture made as of October 28, 2004 among Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
112. Series A Supplemental Indenture made as of October 28, 2004 among Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
113. Series B Supplemental Indenture made as of February 2, 2005 among Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon

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Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent

114. First Supplement to Series B Supplemental Indenture made as of December 21, 2007 among Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
115. Administration Agreement made as of October 28, 2004 between Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and National Bank of Canada
116. Financial Services Agreement made as of October 28, 2004 between Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and National Bank Financial Inc.
117. Deed of Hypothec to Secure Payment of Titles of Indebtedness dated October 28, 2004 by Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, in favour of CIBC Mellon Trust Company, as Indenture Trustee
118. Movable Hypothec dated October 28, 2004 between Ironstone Trust by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
119. Agency Agreement made as of October 28, 2004 between Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and National Bank Financial Inc.
120. Agency Agreement made as of October 28, 2004 between Ironstone Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and CIBC World Markets Inc.
121. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Ironstone Trust

MMAI-I Trust

122. Trust Indenture made as of August 27, 2004 among MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
123. Amended and Restated Series A Supplemental Indenture made as of December 1, 2004 among MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
124. First Supplement to Series A Supplemental Indenture made as of December 21, 2007 among MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as

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Issuing and Paying Agent

125. Administration Agreement made as of August 27, 2004 between MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and National Bank of Canada
126. Financial Services Agreement made as of August 27, 2004 between MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and National Bank Financial Inc.
127. Deed of Hypothec to Secure Payment of Titles of Indebtedness dated August 30, 2004 by MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, in favour of CIBC Mellon Trust Company, as Indenture Trustee
128. Movable Hypothec dated August 30, 2004 between MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
129. Agency Agreement made as of September 9, 2004 between MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and National Bank Financial Inc.
130. Agency Agreement made as of September 9, 2004 between MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and Deutsche Bank Securities Limited
131. Agency Agreement made as of September 9, 2004 between MMAI-I Trust, by Metcalfe & Mansfield Alternative Investments Corp., as Issuer Trustee, and BNP Paribas (Canada)
132. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by MMAI-I Trust

Newshore Canadian Trust

133. Trust Indenture dated as of February 16, 2001 between Newshore Canadian Trust, by The Canada Trust Company, as Issuer Trustee, and The Trust Company of Bank of Montreal, as Note Trustee
134. First Amendment Agreement dated as of July 31, 2002 between Newshore Canadian Trust, by The Canada Trust Company, as Issuer Trustee, and The Trust Company of Bank of Montreal, as Note Trustee
135. First Supplement to the Trust Indenture made as of January 26, 2004 between Newshore Canadian Trust, by The Canada Trust Company, as Issuer Trustee, and BNY Trust Company of Canada, as Note Trustee
136. Newshore Canadian Trust Amendment No. 2 dated as of August 31, 2005 between Newshore Canadian Trust, by The Canada Trust Company, as Issuer Trustee, and BNY Trust Company of Canada, as Note Trustee

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137. Newshore Canadian Trust Amendment No. 3 made as of September 21, 2007 between Newshore Canadian Trust, by The Canada Trust Company, as Issuer Trustee, and BNY Trust Company of Canada, as Note Trustee
138. Newshore Canadian Trust Amendment No. 4 dated as of March 17, 2008 between Newshore Canadian Trust, by 4446372 Canada Inc., as Issuer Trustee, and BNY Trust Company of Canada, as Note Trustee
139. Administration Agreement dated as of December 1, 2006 between Newshore Canadian Trust, by The Canada Trust Company, as Issuer Trustee, and Newshore Financial Services Inc.
140. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Newshore Canadian Trust

Opus Trust

141. Trust Indenture dated as of April 6, 2005 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
142. Opus Trust Amendment dated as of August 31, 2005 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
143. Global Amending Agreement No. 1 made as of September 21, 2007 between Opus Trust, among others, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
144. Series A Supplement made as of April 6, 2005 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
145. Series E Supplement made as of April 6, 2005 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
146. First Amendment to the Series E Supplement dated as of July 31, 2006 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
147. Series 2005-2 Supplement made as of October 21, 2005 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
148. Series 2006-1 Supplement made as of June 15, 2006 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
149. Series 2006-4 Supplement made as of June 15, 2006 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
150. Series 2006-7 Supplement made as of May 1, 2006 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee

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151. Series 2007-4 Supplement made as of March 15, 2007 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
152. Administration Agreement dated as of April 6, 2005 between Opus Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Newshore Financial Services Inc.
153. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Opus Trust

Planet Trust

154. Trust Indenture made as of February 28, 2003 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
155. Series A Notes Supplement made as of February 28, 2003 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
156. Series E Notes Supplement made as of February 28, 2003 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
157. Series F Supplement made as of April 17, 2003 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
158. Series L7 Supplement dated June 9, 2005 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
159. Series L8 Supplement made as of February 22, 2006 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
160. Administration Agreement dated as of February 28, 2003 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and 1497643 Ontario Inc.
161. Financial Arrangement Agreement dated as of February 28, 2003 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and 2025744 Ontario Inc. and Sub-Financial Arrangement Agreement dated as of February 28, 2003 between 2025744 Ontario Inc., as Securitization Agent on behalf of Planet Trust, and Coventree Capital Group Inc.
162. Deed of Hypothec dated February 28, 2003 by Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, in favour of National Bank Trust Inc., as Indenture Trustee
163. Series B Notes Supplement made as of October 28, 2004 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee

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164. Series L2 Notes Supplement made as of March 1, 2005 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
 165. Dealer Agreement made as of March 7, 2003 between Planet Trust, by Coventree Capital Group Inc., as Securitization Agent, and RBC Dominion Securities Inc.
 166. Liquidity Agreement dated as of February 22, 2006 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Danske Bank A/S, and Supplemental Agreement dated May 2, 2007 between Planet Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Danske Bank A/S
 167. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Planet Trust
 168. All credit enhancement loan agreements between Planet Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Planet Trust
 169. All program amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof) in respect of an asset of Planet Trust
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Rocket Trust

170. Third Amended and Restated Trust Indenture made as of February 20, 2003 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
171. Third Amended and Restated Series A Notes Supplement made as of February 20, 2003 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
172. Amended and Restated Series B Supplement made as of November 17, 2004 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
173. Series D Supplement made as of February 10, 2004 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
174. Third Amended and Restated Series E Notes Supplement made as of February 20, 2003 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
175. Amended and Restated Series F Supplement made as of February 20, 2003 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
176. Series L2 Supplement made as of May 29, 2003 between Rocket Trust, by BNY Trust

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Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee

177. Administration Agreement dated as of November 11, 2002 between Rocket Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and 1497643 Ontario Inc.
178. Financial Arrangement Agreement dated as of November 1, 2002 between Rocket Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, and Coventree Capital Group Inc.
179. Deed of Hypothec dated March 3, 2000 by Rocket Trust, by The Trust Company of Bank of Montreal, as Issuer Trustee, in favour of General Trust of Canada, as Indenture Trustee
180. Series C Notes Supplement made as of August 25, 2003 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee
181. Series L4 Notes Supplement made as of July 15, 2003 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and National Bank Trust Inc., as Indenture Trustee

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182. Series G Notes Supplement made as of March 6, 2007 between Rocket Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
 183. Dealer Agreement made as of March 3, 2000 between Rocket Trust, by Coventree Capital Group Inc., as Securitization Agent, and National Bank of Canada
 184. All note issuance and paying agreements with NBCN Inc., NBCN Clearing Inc., Computershare Trust Company of Canada or Natcan Trust Company, as the case may be, in respect of any Affected ABCP issued by Rocket Trust
 185. All credit enhancement loan agreements between Rocket Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Rocket Trust
 186. All program amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof) in respect of an asset of Rocket Trust

Selkirk Funding Trust

187. Trust Indenture dated as of August 4, 2006 between Selkirk Funding Trust, by Montreal Trust Company of Canada, as Issuer Trustee, and Computershare Trust Company of Canada, as Indenture Trustee
188. Series A Series Supplement dated as of August 4, 2006 between Selkirk Funding Trust, by Montreal Trust Company of Canada, as Issuer Trustee, as Issuer, and Computershare Trust Company of Canada, as Indenture Trustee
189. Financial Services Agreement dated as of August 4, 2006 between Selkirk Funding Trust,

by Montreal Trust Company of Canada, as Issuer Trustee, and Securus Capital Corp.

190. All note issuance and paying agreements with HSBC Bank Canada in respect of any Affected ABCP issued by Selkirk Funding Trust

Silverstone Trust

191. Trust Indenture made as of February 23, 2005 among Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
 192. Series A Supplemental Indenture made as of February 23, 2005 among Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
 193. First Supplement to Series A Supplemental Indenture made as of December 21, 2007 among Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
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194. Administration Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and National Bank of Canada
 195. Financial Services Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and National Bank Financial Inc.
 196. Deed of Hypothec to Secure Payment of Titles of Indebtedness dated March 2, 2005 by Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, in favour of CIBC Mellon Trust Company, as Indenture Trustee
 197. Movable Hypothec dated March 2, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
 198. Agency Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and National Bank Financial Inc.
 199. Agency Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and Deutsche Bank Securities Limited
 200. Agency Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and BNP Paribas (Canada)

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201. Agency Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and HSBC Bank Canada
202. Agency Agreement made as of February 23, 2005 between Silverstone Trust, by Metcalfe & Mansfield Alternative Investments II Corp., as Issuer Trustee, and CIBC World Markets Inc.
203. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Silverstone Trust

Slate Trust

204. Trust Indenture made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
205. Series A-1 Notes Supplement made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
206. Series E-1 Notes Supplement made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
207. Administration Agreement dated as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Coventree Portfolio Management Corp.
208. Financial Arrangement Agreement dated as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Coventree Capital Group Inc.
209. Deed of Hypothec dated August 20, 2004 by Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, in favour of Natcan Trust Company, as Indenture Trustee
210. Series A-2 Notes Supplement made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
211. Series A-3 Notes Supplement made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
212. Series E-2 Notes Supplement made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
213. Series E-3 Notes Supplement made as of August 20, 2004 between Slate Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Natcan Trust Company, as Indenture Trustee
214. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Slate Trust

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215. All credit enhancement loan agreements between Slate Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Slate Trust
216. All Program Amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof) in respect of an asset of Slate Trust

Structured Asset Trust

217. Trust Indenture made as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
 218. Series A-1 Notes Supplement made as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
 219. Series A-2 Notes Supplement made as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
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220. Amended and Restated Series E-1 Notes Supplement made as of May 5, 2006 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
 221. Series L1 Supplement dated as of August 24, 2006 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
 222. Administration Agreement dated as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and 1614723 Ontario Inc.
 223. Financial Agent Agreement dated as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and Nereus Financial Inc.
 224. Deed of Hypothec dated October 13, 2005 by Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, in favour of CIBC Mellon Trust Company, Indenture Trustee.
 225. Series A-3 Notes Supplement made as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
 226. Series E-2 Notes Supplement made as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee.
 227. Series E-3 Notes Supplement made as of October 13, 2005 between Structured Asset Trust, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust

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Company, as Indenture Trustee

228. Lead Dealer Agreement made as of October 31, 2005 between Structured Asset Trust, by Nereus Financial Inc., as Financial Agent, and Scotia Capital Inc.
229. Dealer Agreement made as of October 31, 2005 between Structured Asset Trust, by Nereus Financial Inc., as Financial Agent, and HSBC Bank Canada.
230. Dealer Agreement made as of October 31, 2005 between Structured Asset Trust, by Nereus Financial Inc., as Financial Agent, and CIBC World Markets Inc.
231. All note issuance and paying agreements with The Bank of Nova Scotia in respect of any Affected ABCP issued by Structured Asset Trust
232. All basis risk credit enhancement loan agreements between Structured Asset Trust and Coventree Capital Group Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Structured Asset Trust

Structured Investment Trust III

233. Trust Indenture made as of October 31, 2003 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
234. Series A Notes Supplement made as of October 31, 2003 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
235. Amended and Restated Series E Notes Supplement made as of November 9, 2004 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
236. Series L2 Supplement dated March 1, 2005 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
237. Series L4 Supplement dated August 18, 2004 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
238. Administration Agreement dated as of April 15, 2004 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and 1614723 Ontario Inc.
239. Amended and Restated Financial Agent Agreement dated as of October 30, 2003 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and Nereus Financial Inc.
240. Deed of Hypothec dated October 31, 2003 by Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, in favour of CIBC Mellon Trust Company, as Indenture Trustee

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241. Amended and Restated Series L1 Notes Supplement made as of March 25, 2004 between Structured Investment Trust III, by The Canada Trust Company, as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
242. Dealer Agreement made as of November 3, 2003 between Structured Investment Trust III, by Nereus Financial Inc., as Financial Agent, and Scotia Capital Inc.
243. All note issuance and paying agreements with The Bank of Nova Scotia in respect of any Affected ABCP issued by Structured Investment Trust III
244. All credit enhancement loan agreements between Structured Investment Trust III and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by Structured Investment Trust III

Symphony Trust

245. Trust Indenture dated as of October 15, 2004 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
246. Symphony Trust Amendment made as of August 31, 2005 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
247. Global Amending Agreement No. 1 made as of September 21, 2007 between Symphony Trust, among others, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
248. Series A Supplement made as of October 15, 2004 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
249. Series E Supplement made as of October 15, 2004 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
250. First Amendment to the Series E Supplement made as of July 31, 2006 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
251. Series 2005-1 Supplement made as of March 1, 2005 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
252. First Amendment to the Series 2005-1 Supplement made as of August 12, 2005 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
253. Series 2005-2 Supplement made as of July 19, 2005 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee

Trustee

254. First Amendment to the Series 2005-2 Supplement made as of October 21, 2005 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
255. Series 2007-4 Supplement made as of March 15, 2007 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and The Canada Trust Company, as Note Trustee
256. Administration Agreement dated as of October 15, 2004 between Symphony Trust, by BNY Trust Company of Canada, as Issuer Trustee, and Newshore Financial Services Inc.
257. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Symphony Trust

Whitehall Trust

258. Trust Indenture made as of August 15, 2005 among Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
259. Series A Supplemental Indenture made as of August 15, 2005 among Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
260. First Supplement to Series A Supplemental Indenture made as of December 21, 2007 among Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and NBCN Clearing Inc., as Issuing and Paying Agent
261. Administration Agreement dated as of August 15, 2005 among Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, and National Bank of Canada, Quanto Financial Corporation and 4296567 Canada Inc.
262. Financial Services Agreement dated as of August 15, 2005 among Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, National Bank Financial Inc., Quanto Financial Corporation and 4296567 Canada Inc.
263. Deed of Hypothec to Secure Payment of Titles of Indebtedness dated August 15, 2005 by Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, in favour of CIBC Mellon Trust Company, as Indenture Trustee
264. Movable Hypothec dated August 15, 2005 between Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, and CIBC Mellon Trust Company, as Indenture Trustee
265. Intercreditor Agreement made as of August 15, 2005 among Deutsche Bank AG, London

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Branch, CIBC Mellon Trust Company, as Indenture Trustee, and Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee

266. Agency Agreement made as of August 15, 2005 between Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, and National Bank Financial Inc.
267. Agency Agreement made as of August 15, 2005 between Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, and Deutsche Bank Securities Limited
268. Agency Agreement made as of August 15, 2005 between Whitehall Trust, by Metcalfe & Mansfield Alternative Investments III Corp., as Issuer Trustee, and CIBC World Markets Inc.
269. All note issuance and paying agreements with NBCN Inc. or NBCN Clearing Inc., as the case may be, in respect of any Affected ABCP issued by Whitehall Trust

Satellite Trusts

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270. Amended and Restated Trust Indenture made as of February 22, 2005 between STarts (Canada) Trust 2004-2, by BNY Trust Company of Canada, as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and HSBC Bank USA, National Association
 271. Trust Indenture made as of December 19, 2005 between STarts (Canada) TrustTM 2005-2, by BNY Trust Company of Canada, as Issuer Trustee, CIBC Mellon Trust Company, as Indenture Trustee, and HSBC Bank USA, National Association
 272. ISDA Master Agreement with a corresponding Schedule and Confirmation, both dated as of December 29, 2003 between Constellation Certificate Trust (Dekania) Series 2003-1, by 1462888 Ontario Inc., as trustee, and Bank of America N.A., Canada Branch
 273. ISDA Master Agreement with a corresponding Schedule and Confirmation, both dated as of November 30, 2004 between Constellation Certificate Trust (Schooner) Series 2004-1, by 1462888 Ontario Inc., as trustee, and Bank of America N.A., Canada Branch
 274. All credit enhancement loan agreements between a Satellite Trust and Coventree Inc. (or an affiliate thereof) in respect of any Affected ABCP issued by a certificateholder of such trust
 275. All financial arrangement agreements, and supplements thereto, between a Satellite Trust and Coventree Inc. (or an affiliate thereof)
 276. All administration agreements between a Satellite Trust and Coventree Inc. (or an affiliate thereof)
 277. All program amount letters executed by Coventree Inc. (or an affiliate thereof) in respect of payment of fees to Coventree Inc. (or an affiliate thereof)

SCHEDULE "G"

Monitor's Post-Implementation Trust Termination Certificate

Court File No. 08-CL-7440

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS II CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS III CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS V CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS XI CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS XII CORP., 4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO**

B E T W E E N:

**THE INVESTORS REPRESENTED ON
THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY
STRUCTURED ASSET-BACKED COMMERCIAL PAPER
LISTED IN SCHEDULE "B" HERETO**

Applicants

- and -

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO**

Respondents

**MONITOR'S POST-IMPLEMENTATION TRUST
TERMINATION CERTIFICATE FOR ●**

- 2 -

ERNST & YOUNG INC., in its capacity as Court-appointed monitor of the CCAA Parties¹ appointed pursuant to the Initial CCAA Order made in these proceedings (the “Monitor”), hereby certifies that, to the best of its knowledge:

(a) in accordance with paragraph 13(a) of the Plan Implementation Order dated January ●, 2009 made in these proceedings (the “Plan Implementation Order”), all remaining funds, other than the Reconciled Principal Cash Amounts (as defined in the Plan Implementation Order) and the Reconciled Interest Entitlements (as defined in the Plan Implementation Order), in the bank accounts managed and administered for the benefit of ● have been deposited with the

Monitor;

(b) in accordance with paragraph 13(b) of the Plan Implementation Order, all Reconciled Principal Cash Amounts have been transferred to the MAVs;

(c) in accordance with paragraph 13(c) of the Plan Implementation Order, all Reconciled Interest Entitlements have been deposited with CDS Clearing;

(d) all of the applicable assets of ● listed in Appendix [“S”] to the Eighteenth Report (as defined in the Plan Implementation Order) have been transferred to the MAVs;

(e) the MAVs have received from ● all of the applicable assets listed in Appendix [“S”] to the Eighteenth Report; and

¹ Capitalized terms that are not otherwise defined herein shall have the meaning ascribed to them in the Third Amended Plan of Compromise and Arrangement.

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- (f) any and all remaining Interest Entitlements (as defined in the Eighteenth Report)
as determined and distributed pursuant to the procedures approved by the Plan
Implementation Order and any further order have been satisfied.

**THIS MONITOR'S POST-IMPLEMENTATION TRUST TERMINATION
CERTIFICATE** is made and filed by the Monitor in accordance with paragraph 27 of the Plan
Implementation Order.

DATED at Toronto, Ontario this ____ day of _____, 2009.

ERNST & YOUNG INC.
Monitor of Metcalfe & Mansfield Alternative
Investments Corp., et al

Per: _____

SCHEDULE "A"

Conduit Trusts

Apollo Trust

Apsley Trust

Aria Trust

Aurora Trust

Comet Trust

Encore Trust

Gemini Trust

Ironstone Trust

MMAI-I Trust

Newshore Canadian Trust

Opus Trust

Planet Trust

Rocket Trust

Selkirk Funding Trust

Silverstone Trust

Slate Trust

Structured Asset Trust

Structured Investment Trust III

Symphony Trust

Whitehall Trust

SCHEDULE "B"

Applicants

ATB Financial

Caisse de Dépôt et Placement du Québec

Canaccord Capital Corporation

Canada Mortgage and Housing Corporation

Canada Post Corporation

Credit Union Central Alberta Limited

Credit Union Central of British Columbia

Credit Union Central of Canada

Credit Union Central of Ontario

Credit Union Central of Saskatchewan

Desjardins Group

Magna International Inc.

~~National Bank Financial Inc./National Bank Of Canada~~

NAV Canada

Northwater Capital Management Inc.

Public Sector Pension Investment Board

The Governors of the University of Alberta

Court File No. 08-CL-7440

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT INVOLVING METCALFE & MANSFIELD
ALTERNATIVE INVESTMENTS II CORP., ET AL
THE INVESTORS REPRESENTED ON THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY STRUCTURED
ASSET-BACKED COMMERCIAL PAPER (Applicants) - and -
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP., et al (Respondents)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

MONITOR'S POST-IMPLEMENTATION TRUST
TERMINATION CERTIFICATE

BORDEN LADNER GERVAIS LLP
Barristers & Solicitors
Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 1Y6

CRAIG HILL
Direct Dial (416) 597-6156
Direct Fax (416) 591-7301
LSUC Reg. No. 1888K

Solicitors for the Monitor

28-2
154
C-36
Unpublished
Ontario
Foreign
Debt
Monitors
Pg 199 of 318
Exhibit

SCHEDULE "H"

Monitor's Plan Implementation Certificate

Court File No. 08-CL-7440

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT INVOLVING METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS II CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS III CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS V CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS XI CORP., METCALFE & MANSFIELD ALTERNATIVE
INVESTMENTS XII CORP., 4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO**

B E T W E E N:

**THE INVESTORS REPRESENTED ON
THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY
STRUCTURED ASSET-BACKED COMMERCIAL PAPER
LISTED IN SCHEDULE "B" HERETO**

Applicants

- and -

**METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS III CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS V CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XI CORP.,
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS XII CORP.,
4446372 CANADA INC. AND 6932819 CANADA INC.,
TRUSTEES OF THE CONDUITS LISTED IN SCHEDULE "A" HERETO**

Respondents

MONITOR'S PLAN IMPLEMENTATION CERTIFICATE

- 2 -

ERNST & YOUNG INC., in its capacity as Court-appointed monitor of the CCAA Parties¹ appointed pursuant to the Initial CCAA Order made in these proceedings (the "Monitor"), hereby certifies that, to the best of its knowledge:

(a) *Approval by Noteholders*

The Plan has been approved pursuant to the CCAA by the Noteholders' class;

(b) *Granting of Sanction Order*

The Sanction Order has been granted by the CCAA Court in a form acceptable to the Plan Participants;

(c) *Expiry of Appeal Periods*

A final determination denying leave to appeal the Sanction Order has been made by the applicable appellate court, with no further right of appeal;

(d) *Approved Agreements*

Each of the Approved Agreements and all related agreements and other documents have become effective in a form acceptable to the Plan Participants, and all conditions to closing have been satisfied or waived in accordance with their respective terms, subject only to the occurrence of the Plan Implementation Date;

(e) *Repayment of PSF Notes*

Payment has been made to the holders of the PSF Notes by the respective issuing Conduits, in the amount of the principal and accrued interest outstanding on their PSF Notes;

(f) *Disengagement of GD Swaps*

¹ Capitalized terms that are not otherwise defined herein shall have the meaning ascribed to them in the Third Amended Plan of Compromise and Arrangement.

- 3 -

The GD Swap Restructuring Agreements have become effective and the restructuring of the GD Swaps contemplated thereby has been implemented in accordance with its terms;

(g) *Issuance of Plan Notes*

The authorization and issuance of Plan Notes contemplated under the Plan, including all necessary corporate filings and related matters, has occurred, subject only to the occurrence of the Plan Implementation Date;

(h) *Tax Ruling*

An advance income tax ruling satisfactory to the Investors Committee has been obtained from the Canada Revenue Agency;

(i) *Completion of Necessary Documentation*

The execution and delivery by all relevant Persons of all agreements, settlements, resolutions, indentures, releases, documents and other instruments that are necessary to be executed and delivered to implement and give effect to all material terms and provisions of the Plan has occurred.

NOW THEREFORE AS A RESULT OF THE FOREGOING, Plan Implementation Date has occurred in accordance with the Plan.

THIS MONITOR'S PLAN IMPLEMENTATION CERTIFICATE is made and filed by the Monitor in accordance with paragraph 8.3 of the Plan and paragraph 10 of the Sanction Order.

DATED at Toronto, Ontario this ____ day of January, 2009.

ERNST & YOUNG INC.
Monitor of Metcalfe & Mansfield Alternative
Investments Corp., et al

Per: _____

SCHEDULE "A"

Conduit Trusts

Apollo Trust

Apsley Trust

Aria Trust

Aurora Trust

Comet Trust

Encore Trust

Gemini Trust

Ironstone Trust

MMAI-I Trust

Newshore Canadian Trust

Opus Trust

Planet Trust

Rocket Trust

Selkirk Funding Trust

Silverstone Trust

Slate Trust

Structured Asset Trust

Structured Investment Trust III

Symphony Trust

Whitehall Trust

SCHEDULE "B"

Applicants

ATB Financial

Caisse de Dépôt et Placement du Québec

Canaccord Capital Corporation

Canada Mortgage and Housing Corporation

Canada Post Corporation

Credit Union Central Alberta Limited

Credit Union Central of British Columbia

Credit Union Central of Canada

Credit Union Central of Ontario

Credit Union Central of Saskatchewan

Desjardins Group

Magna International Inc.

~~National Bank Financial Inc./National Bank Of Canada~~

NAV Canada

Northwater Capital Management Inc.

Public Sector Pension Investment Board

The Governors of the University of Alberta

Court File No. 08-CL-7440

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT INVOLVING METCALFE & MANSFIELD
ALTERNATIVE INVESTMENTS II CORP., ET AL.
THE INVESTORS REPRESENTED ON THE PAN-CANADIAN INVESTORS COMMITTEE FOR THIRD-PARTY STRUCTURED
ASSET-BACKED COMMERCIAL PAPER (Applicants) - and -
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP., et al (Respondents)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

MONITOR'S PLAN IMPLEMENTATION
CERTIFICATE

BORDEN LADNER GERVAIS LLP
Barristers & Solicitors
Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

CRAIG J. HILL
Direct Dial (416) 367-6156
Direct Fax (416) 361-7301
LSUC Reg. No. 31888K

Solicitors for the Monitor

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

Court File No.: 08-CL-7440

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT INVOLVING
METCALFE & MANSFIELD ALTERNATIVE INVESTMENTS II CORP., *ET AL.*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

PLAN IMPLEMENTATION ORDER

GOODMANS LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Canada M5B 2M6

Benjamin Zarnett LSUC#: 17247M
Fred Myers LSUC#: 26301A
Brian F. Empey LSUC#: 30640G

Tel: 416.979.2211
Fax: 416.979.1234

Counsel for the Applicants

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: MOTORCYCLE TIRES & ACCESSORIES LLC, <i>et al.</i>,¹ Debtors in a Foreign Proceeding	)))))))	Chapter 15 Case No. 19-12706 (KBO) Jointly Administered Re: Docket Nos. 9, 23
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**ORDER GRANTING FINAL RELIEF IN RECOGNITION OF
A FOREIGN MAIN PROCEEDING PURSUANT TO SECTIONS
105(a), 1519, 1520 AND 1521 OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the “Motion”)² of KPMG, Inc. (“KPMG” or the “Foreign Representative”), in its capacity as the court-appointed monitor and duly authorized foreign representative for the above-captioned debtors (collectively, the “Debtors”) in the Canadian proceedings (the “Canadian Proceeding”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Superior Court in Commercial Division in the District of Montreal (the “Canadian Court”) seeking (i) entry of a provisional order on an interim basis, (a) enforcing the CCAA Order and (b) staying any collection activity by creditors against the Debtors’ assets in the United States; (ii) entry of this final order (the “Recognition Order”), after notice and a hearing, (a) granting recognition of the Canadian Proceeding as a foreign main proceeding under section 1517 of the Bankruptcy Code and (b) enforcing the CCAA Order on a permanent basis in the United States; and (iii) such other and further relief as this Court deems just and proper; and upon the Codère Declaration and

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Motorcycle Tires & Accessories LLC (8629); Moncy Holding Company, Inc. (6755); Moncy Financial Services Company, Inc. (7515); Moncy LLC (3654); and Nichols Motorcycle Supply, Inc. (4371). The Debtors’ mailing address is 1550 Melissa Court, Corona, CA 92879.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

the Memorandum of Law; and upon the Order Granting Provisional Relief Pursuant to Sections 105(a), 1519, 1520 and 1521 of the Bankruptcy Code [D.I. 23] (the “Provisional Relief Order”) previously entered by this Court; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of the Chapter 15 Cases and the Motion in this District is proper pursuant to 28 U.S.C. § 1410; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given under the circumstances; and upon the record of the hearing on the Motion; and the Court having found and determined that the relief sought in the Motion is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

- (i) The Foreign Representative is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.
- (ii) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.
- (iii) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.
- (iv) The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.
- (v) The Canadian Proceeding pending in the Canadian Court in Quebec, Canada, which is the location of the Debtors’ center of main interest, constitutes a foreign main proceeding pursuant to section 1502(4) of the Bankruptcy Code and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.
- (vi) The Foreign Representative as a foreign representative is entitled, without limitation, to all of the relief provided pursuant to section 1520 of the Bankruptcy Code.

- (vii) The relief granted herein is necessary and appropriate, in the interest of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any parties-in-interest that is not outweighed by the benefits of the relief granted.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

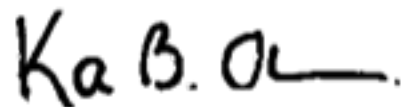
1. The Motion is Granted.
2. The Canadian Proceeding is hereby recognized as a “foreign main proceeding” pursuant to section 1517 of the Bankruptcy Code.
3. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, sections 361, 362 and 363 of the Bankruptcy Code, with respect to the Debtors and the Debtors’ assets within the United States; *provided, however*, that nothing in this Order shall prevent disbursement of funds to BMO for application to the obligations owed to the Senior Lenders.
4. The CCAA Order is hereby given full force and effect in the United States.
5. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all other prior relief granted pursuant to the Provisional Relief Order pursuant to section 1519(a) of the Bankruptcy Code is hereby extended on a final basis.
6. The Chapter 15 Petitions, the Motion, the Provisional Relief Order and this Recognition Order shall be made available by the Foreign Representative upon request to its counsel, Potter, Anderson & Corroon, LLP, R. Stephen McNeill, at (302) 984-6000 or rmcneill@potteranderson.com.
7. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (i) this Recognition Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the

relief granted in this Recognition Order; and (iii) the Foreign Representative is authorized and empowered, and may in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Recognition Order.

8. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Recognition Order.

Dated: January 22nd, 2020
Wilmington, Delaware

4



KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re	)	
	)	Case No. 20-10712 (MG)
Olinda Star Ltd. (In Provisional Liquidation),	)	
	)	
Debtor in a Foreign Proceeding. ¹	)	Chapter 15
_____	)	

**ORDER PURSUANT TO FEDERAL RULES OF BANKRUPTCY PROCEDURE
2002(M) AND (Q) AND 9007 SCHEDULING EVIDENTIARY HEARING AND
APPROVING FORM AND MANNER OF SERVICE OF NOTICE**

Upon the Petitioner’s *Application Pursuant to Federal Rules of Bankruptcy Procedure 2002(m) and (q) and 9007 for Order Scheduling Evidentiary Hearing and Approving Form and Manner of Service of Notice* (the “Application”),² requesting, in her capacity as the duly-authorized Foreign Representative of the BVI Proceeding of the Debtor, the entry of this order (this “Order”) (i) scheduling the Recognition Hearing on the relief sought in the Petitions, (ii) scheduling the Objection Deadline; (iii) approving the Notice Procedures, including the form of Recognition Hearing Notice; (iv) granting related relief as provided in the Application; and (v) granting such other and further relief as the Court deems just and proper; and the Court having considered the Application; and the Court having found good cause for granting the relief requested therein; and the Court having found that the Court has jurisdiction to consider the Application and the relief requested therein pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order of Reference dated January 31, 2012, Reference M-431, In re Standing Order of Reference Re: Title 11, 12 Misc. 00032 (S.D.N.Y.

¹ The Debtor in this Chapter 15 case, and the last four identifying digits of the tax number of the jurisdiction in which it pays taxes, is Olinda Star Ltd. (in Provisional Liquidation) (BVI – 9761).

² Capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Application.

Feb. 1, 2012) (Preska, C.J.); and the Court having found that this is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code; and the Court having found that venue of this proceeding is proper before this Court pursuant to sections 1409 and 1410 of title 28 of the United States Code; and the Court having found adequate and sufficient notice of the Application having been provided; and no other or further notice being required; it is hereby

ORDERED, that the Recognition Hearing shall be held before this Court in Room 523 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York, March 30, 2020 at 2:00 p.m. (ET); and it is further

ORDERED that the Objection Deadline shall be March 23, 2020 at 5:00 p.m. (ET); and it is further

ORDERED, that the Notice Procedures set forth in the Application constitute due and sufficient notice of the Petitions and the relief requested therein, and are hereby approved; and it is further

ORDERED, that the form of Recognition Hearing Notice annexed hereto as Exhibit 1 is hereby approved; and it is further

ORDERED, that the notice requirements set forth in section 1514(c) of the Bankruptcy Code are inapplicable in the context of these Chapter 15 Cases or, to the extent applicable, are hereby waived; and it is further

ORDERED, that copies of Notice Documents shall be served upon the Chapter 15 Notice Parties in the manner set forth in the Application on or before March 10, 2020; and it is further

ORDERED, that copies of the Notice Documents shall be provided to Wilmington Trust with instructions to forward the Notice Documents on behalf of the Petitioner to DTC and to instruct DTC to disseminate the same according to DTC's customary practices; and it is further

ORDERED, that the Petitioner shall cause the Recognition Hearing Notice to be published in the national edition of the New York Times; and it is further

ORDERED, that responses or objections, if any, to the Petitions be made in writing and set forth the basis therefor, and such responses or objections must be (i) filed electronically with the Court on the Court's electronic case filing system in accordance with and except as provided in General Order M-399 and the Court's Procedures for the Filing, Signing and Verification of Documents by Electronic Means (copies of each of which may be viewed on the Court's website at www.nysb.uscourts.gov) (and otherwise, on a USB flash drive, preferably in Portable Document Format (PDF) or Microsoft Word, which USB flash drive shall be sent to the Office of the Clerk of the Court, One Bowling Green, New York, New York 10004-1408), and a hard copy of such response or objection to be sent to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, and (ii) served upon White & Case LLP, 1221 Avenue of the Americas New York, New York 10020-1095 (Attn: John K. Cunningham, Esq. and Thomas E. MacWright, Esq.), counsel to the Petitioner; and it is further

ORDERED, that service pursuant to this Order shall be good and sufficient service and adequate notice of the filing of the Petitions and the Recognition Hearing.

IT IS SO ORDERED.

Dated: March 10, 2020
New York, New York

/s/ Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

Exhibit 1

Recognition Hearing Notice

WHITE & CASE LLP
1221 Avenue of the Americas
New York, New York 10020-1095
(212) 819-8200
John K. Cunningham
Thomas E. MacWright
Samuel P. Hershey

111 South Wacker Drive
Chicago, IL 60606
(312) 881-5400
Jason N. Zakia (*pro hac vice pending*)

Southeast Financial Center
200 South Biscayne Blvd., Suite 4900
Miami, Florida 33131
(305) 371-2700
Richard S. Kebrdle (*pro hac vice pending*)

*Attorneys for Eleanor Fisher,
as Petitioner and Foreign Representative*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re	)	
	)	Case No. 20-10712 (MG)
Olinda Star Ltd. (In Provisional Liquidation),	)	
	)	
Debtor in a Foreign Proceeding. ¹	)	Chapter 15
_____	)	

**NOTICE OF FILING AND HEARING ON PETITION UNDER CHAPTER 15
OF THE UNITED STATES BANKRUPTCY CODE AND
MOTION FOR RELATED RELIEF**

PLEASE TAKE NOTICE that on March 6, 2020, Eleanor Fisher (the “Petitioner” or the “Foreign Representative”), in her capacity as the duly-authorized foreign representative (as such term is defined in section 101(24) of title 11 of the United States Code, 11 U.S.C. §§ 101-

¹ The Debtor in this Chapter 15 case, and the last four identifying digits of the tax number of the jurisdiction in which it pays taxes, is Olinda Star Ltd. (in Provisional Liquidation) (BVI – 9761).

1532 (the “Bankruptcy Code”) of the BVI Proceeding (as defined below) of Olinda Star Ltd. (“Olinda” or the “Debtor”), commenced the above-captioned case under chapter 15 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”)² in furtherance of the provisional liquidation proceeding (the “BVI Proceeding”) of the Debtor pending before the BVI Commercial Court (the “BVI Court”) pursuant to section 170 of the BVI Insolvency Act, 2003 (the “BVI Act”) of the laws of the British Virgin Islands (the “BVI”).

PLEASE TAKE FURTHER NOTICE that, among other things, the Petitioner seeks the entry of an order: (i) granting recognition of the BVI Proceeding pursuant to section 1517 of the Bankruptcy Code as the “foreign main proceeding” (as defined in section 1502(4) of the Bankruptcy Code) of the Debtor, and all relief included therewith as provided in section 1520 of the Bankruptcy Code; (ii) recognizing the Petitioner as the “foreign representative” (as defined in section 101(24) of the Bankruptcy Code) of the BVI Proceeding for the Debtor for purposes of this Chapter 15 Case; and (iii) granting such other and further relief as the Court deems just and proper.

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court has scheduled an evidentiary hearing (the “Recognition Hearing”) to consider the relief requested in the Verified Petition for **March 30, 2020 at 2:00 p.m. (New York Time)** in Room 523 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York.

² The Foreign Representative commenced this Chapter 15 Case with respect to the Debtor by filing the *Petitioner’s Declaration and Verified Petition for Recognition of the Brazilian RJ BVI Proceeding and Motion for Order Granting Related Relief Pursuant to 11 U.S.C. §§ 105(A), 1507(A), 1515, 1517, and 1520 1521(A), and 1525(A)* (the “Verified Petition”) [ECF No. 2] and the form of voluntary petition (the “Form of Voluntary Petition”) [ECF No. 1] filed concurrently therewith.

PLEASE TAKE FURTHER NOTICE that copies of the Verified Petition and all accompanying documentation are available to parties in interest on the Bankruptcy Court's Electronic Case Filing System, which can be accessed from the Bankruptcy Court's website at <http://www.nysb.uscourts.gov> (a PACER login and password are required to retrieve a document) or upon written request to the Petitioner's counsel (including by facsimile or e-mail) addressed to:

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095
Telephone: (212) 819-8200
Facsimile: (212) 354-8113

or

jcunningham@whitecase.com
tmacwright@whitecase.com

Attn: John K. Cunningham, Esq. and Thomas E. MacWright, Esq.

PLEASE TAKE FURTHER NOTICE that any party in interest wishing to submit a response or objection to the Verified Petition or the relief requested therein must do so in writing and in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the United States Bankruptcy Court for the Southern District of New York, setting forth the basis therefor, which response or objection must be filed electronically with the Court on the Court's electronic case filing system in accordance with and except as provided in General Order M-399 and the Court's Procedures for the Filing, Signing and Verification of Documents by Electronic Means (copies of each of which may be viewed on the Court's website at www.nysb.uscourts.gov) (and otherwise, on a USB drive, preferably in Portable Document Format (PDF) or Microsoft Word, which USB drive shall be sent to the Office of the Clerk of the Court, One Bowling Green, New York, New York 10004-1408). A hard copy of any response or objection shall be sent to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, One Bowling Green, New York, New York 10004-1408 and served upon White & Case LLP (Attn: John K. Cunningham, Esq. and Thomas E. MacWright, Esq.), counsel

to the Petitioner, so as to be received no later than **March 23, 2020 at 5:00 p.m. (New York Time)**.

PLEASE TAKE FURTHER NOTICE that all parties in interest opposed to the Verified Petition or the request for relief contained therein must appear at the Recognition Hearing at the time and place set forth above.

PLEASE TAKE FURTHER NOTICE that, at the Recognition Hearing, the Court may order the scheduling of a case management conference to consider the efficient administration of the case.

PLEASE TAKE FURTHER NOTICE that if no response or objection is timely filed and served as provided above, the Court may grant the relief requested in the Verified Petition without further notice.

PLEASE TAKE FURTHER NOTICE that the Recognition Hearing may be adjourned from time to time without further notice other than an announcement in open court, or a notice of adjournment filed with the Court, of the adjourned date or dates at the hearing or any other further adjourned hearing.

[Remainder of page intentionally left blank.]

Dated: March 6, 2020
New York, New York

Respectfully submitted,

WHITE & CASE LLP

By: /s/ John K. Cunningham
John K. Cunningham

WHITE & CASE LLP
1221 Avenue of the Americas
New York, New York 10020-1095
(212) 819-8200
John K. Cunningham
Thomas E. MacWright
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111 South Wacker Drive
Chicago, IL 60606
(312) 881-5400
Jason N. Zakia (*pro hac vice pending*)

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200 South Biscayne Blvd., Suite 4900
Miami, Florida 33131
(305) 371-2700
Richard S. Kebrdle (*pro hac vice pending*)

*Attorneys for Eleanor Fisher,
as Petitioner and Foreign Representative*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 15
	)	
Pacific Exploration & Production	)	Case No. 16-11189 (JLG)
Corporation, <i>et al.</i> , ¹	)	
	)	(Jointly Administered)
Debtors in a Foreign Proceeding.	)	

**ORDER RECOGNIZING FOREIGN MAIN
PROCEEDINGS AND GRANTING ADDITIONAL RELIEF**

A hearing having been held (the “Hearing”) to consider the chapter 15 petitions for each of the above-captioned debtors (the “Debtors”) and the Verified Petition, filed on April 29, 2016 (the “Verified Petition,” and together with the chapter 15 petitions, the “Petitions”)² of PricewaterhouseCoopers Inc., the duly authorized foreign representative (the “Foreign Representative”) of the Debtors for entry of an order pursuant to sections 105(a), 362, 1517, 1520 and 1521 of the Bankruptcy Code: (i) recognizing the Canadian Proceedings as foreign main proceedings pursuant to sections 1517 and 1520 of the Bankruptcy Code, (ii) recognizing the Foreign Representative as the “foreign representative,” as defined in section 101(24) of the Bankruptcy Code, in respect of the Canadian Proceedings, (iii) recognizing and enforcing the Initial CCAA Order, (iv) granting a stay of execution against the Debtors’ assets and applying section 362 of the Bankruptcy Code in these Chapter 15 Cases pursuant to sections 1520(a)(1), 1521(a) and 105(a) of the Bankruptcy Code, and (v) granting certain additional relief pursuant to

¹ The Debtors in the Canadian Proceedings (as defined below) are (i) Pacific Exploration & Production Corporation (“Pacific”) (2064), (ii) Pacific E&P Holdings Corp. (“E&P Holdings”) (2467), (iii) Meta Petroleum Corp. (“Meta”) (2468), (iv) Pacific Stratus Energy Colombia Corp. (“Pacific Stratus”) (7342), (v) PRE-PSIE Coöperatief U.A. (“PRE-PSIE”) (1101), (vi) Pacific Stratus Energy S.A. (“Pacific Stratus Energy”) (N/A), (vii) Pacific Off-Shore Peru S.R.L. (“Pacific Off-Shore Peru”) (3118), (viii) Pacific Guatemala Energy Corp. (“Pacific Guatemala”) (N/A), (ix) Pacific Rubiales Guatemala S.A. (“Pacific Rubiales Guatemala”) (4280), (x) Petrominerales Colombia Corp. (“Petrominerales”) (9614), (xi) Pacific Stratus International Energy Ltd. (“Pacific Stratus International”) (0246), and (xii) Grupo C&C Energia (Barbados) Ltd. (“Grupo C&C Energia”) (6765).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Verified Petition or the Initial CCAA Order (as defined in the Verified Petition), as applicable.

section 1521 of the Bankruptcy Code; and upon this Court's review and consideration of the Petitions, the Declaration of Mica J. Arlette, filed contemporaneously therewith, and the evidence admitted at the Hearing to consider the Petitions; and due and proper notice of the Petitions having been provided; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefor, the Court makes the following findings of fact and conclusions of law:³

- a. This Court has subject-matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334.
- b. Pursuant to Revolving Credit Facility Agreement § 10.10, Bank of America Bilateral Credit Facility Agreement § 9.10, HSBC Bilateral Credit Facility Agreement § 10.10, Bladex Bilateral Credit Facility Agreement § 8.8, and § 10.10 of each of the 5.125% Senior Notes Indenture, the 5.375% Senior Notes Indenture, the 5.625% Senior Notes Indenture, and the 7.25% Senior Notes Indenture, all holders of the debt affected by the Debtors' Canadian Proceedings have consented to the personal jurisdiction of all federal and state courts in New York, and therefore have consented to the personal jurisdiction of this Court.
- c. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).
- d. Venue is proper in this district pursuant to 28 U.S.C. § 1410.

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, or any of the following conclusions of law constitute findings of fact, they are adopted as such.

- e. The Foreign Representative is a “person,” as such term is defined in 11 U.S.C. § 101(41).
- f. The Foreign Representative is the duly appointed “foreign representative” of the Debtors, as such term is defined in 11 U.S.C. § 101(24).
- g. These Chapter 15 Cases were properly commenced pursuant to 11 U.S.C. §§ 1504, 1509 and 1515.
- h. The Foreign Representative has satisfied the requirements of 11 U.S.C. § 1515 and Fed. R. Bankr. P. 1007(a)(4) and 2002(q).
- i. The Debtors have satisfied the eligibility requirements of 11 U.S.C. §§ 109(a) and 1517(a).
- j. The Canadian Proceedings currently pending before the Canadian Court and provisions made thereunder for the protection, administration and distribution of the Debtors’ assets, are “foreign proceedings,” as such term is defined in 11 U.S.C. § 101(23).
- k. The Canadian Proceedings are entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.
- l. The Canadian Proceedings are pending in the country where the Debtors’ center of main interests is located, are “foreign main proceedings,” as such term is defined in 11 U.S.C. § 1502(4), and are entitled to recognition as “foreign main proceedings” pursuant to 11 U.S.C. § 1517(b)(1).
- m. The Foreign Representative is entitled to all the relief provided pursuant to 11 U.S.C. § 1520, without limitation.

- n. The Foreign Representative is further entitled to all relief expressly set forth in 11 U.S.C. §§ 1521(a)-(b).
- o. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted under 11 U.S.C. §§ 1517, 1520, and 1521.

Now therefore, it is hereby ORDERED:

- 1. The Motion is GRANTED to the extent set forth herein.
- 2. The Canadian Proceedings are granted recognition as foreign main proceedings pursuant to 11 U.S.C. §§ 1517(a) and 1517(b)(1).
- 3. All relief afforded foreign main proceedings pursuant to 11 U.S.C. § 1520 is hereby granted.
- 4. The Initial CCAA Order, including any and all existing and future extensions, amendments, restatements, and/or supplements authorized by the Canadian Court, is hereby given full force and effect, on a final basis, with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States, including, without limitation, (a) authorizing the Debtors to obtain credit under the DIP Financing Documents and granting the DIP Lenders the DIP Lenders' Charge (each as defined in and pursuant to the terms of the Initial CCAA Order), and (b) staying the commencement or continuation of any actions against the Debtors or its assets (except as otherwise expressly provided herein or therein).
- 5. Pursuant to 11 U.S.C. § 1520(a)(1), 11 U.S.C. § 362, including, without limitation, the automatic stay authorized by 11 U.S.C. § 362, shall apply with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States; *provided that*, notwithstanding this paragraph and any other provision of the Order, upon

the occurrence of an “Event of Default” (as such term is or will be defined under the DIP Financing Documents, as applicable) under the DIP Financing Documents or the DIP Lenders’ Charge (each as defined in the Initial CCAA Order), this paragraph and the other provisions of this Order shall be deemed to be automatically modified to the extent necessary to allow the DIP Lenders (as defined in the Initial CCAA Order) to exercise any rights expressly granted pursuant to the Initial CCAA Order and/or the DIP Financing Documents (to the extent approved by the Canadian Court) or as otherwise permitted by further order of the Canadian Court.

6. The Foreign Representative is authorized to operate the business of the Debtors that is the subject of the Canadian Proceedings and exercise the powers of a trustee to the extent provided by 11 U.S.C. § 1520(a)(3).

7. Pursuant to 11 U.S.C. § 1521(a)(1)-(3), all persons and entities, other than the Foreign Representative and his representatives and agents and the DIP Lenders and any trustee, administrative agent, collateral agent or other representative for and on behalf of any of the DIP Lenders under the DIP Financing Documents (the “DIP Agents”) (to the extent the DIP Lenders or the DIP Agents are permitted to take actions pursuant to the Initial CCAA Order, including as set forth in Paragraph 4 hereof, or the DIP Financing Documents), are hereby enjoined (to the extent they have not been stayed under section 1520(a)) from:

- a. execution against any of the Debtors’ assets;
- b. the commencement or continuation, including the issuance or employment of process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise against the Debtors, which in either case is in any way related to, or would interfere with, the administration of the Debtors’ estates in the Canadian Proceedings;

- c. taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against the Debtors or any of their property or proceeds thereof;
- d. transferring, relinquishing or disposing of any property of the Debtors to any person or entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;
- e. commencing or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations or liabilities; and
- f. declaring or considering the filing of the Canadian Proceedings or these Chapter 15 Cases a default or event of default under any agreement, contract or arrangement;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States; and *provided further* that nothing herein shall: (x) prevent any entity from filing any claims against the Debtors in the Canadian Proceedings or (y) prevent any entity from seeking relief from the Canadian Court in the Canadian Proceedings or this Court in these Chapter 15 Cases, as applicable, for relief from the injunctions contained in the Order.

8. Subject to the DIP Lenders' rights under the Initial CCAA Order and the DIP Financing Documents, pursuant to 11 U.S.C. § 1521(a)(5), the administration or realization of the Debtors' assets within the territorial jurisdiction of the United States is entrusted to the Foreign Representative and the Foreign Representative is hereby established as the exclusive representative of the Debtors in the United States.

9. The Canadian Proceedings and all prior orders of the Canadian Court shall be and hereby are granted comity and given full force and effect in the United States.

10. The Foreign Representative, the Debtors and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

11. No action taken by the Foreign Representative, the Debtors, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceedings, this order, these Chapter 15 Cases, or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the rights or benefits afforded such persons under 11 U.S.C. §§ 306 and 1510.

12. Notwithstanding any provision in the Bankruptcy Rules to the contrary, including, but not limited to, Bankruptcy Rules 7062 and 1018, (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative and the DIP Lenders are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) the Foreign Representative and the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

13. A copy of this Order shall be served (i) within three business days of entry of this order, by electronic mail to the extent email addresses are available and by United States mail, overnight or first-class postage prepaid, upon the Notice Parties (as defined in the *Motion for Order Scheduling Recognition Hearing and Specifying Form and Manner of Service of Notice*), the Office of the United States Trustee, and such other entities as the Court may direct and (ii) by posting on the Foreign Representative's website at <http://www.pwc.com/ca/en/services/insolvency-assignments/pacific.html>. Further, publication notice of this order will also be provided in the international edition of the Wall Street Journal. Such service shall be good and sufficient service and adequate notice for all purposes.

14. The Court shall retain jurisdiction with respect to: (i) the enforcement, amendment or modification of this order; (ii) any requests for additional relief or any adversary proceeding brought in or through these Chapter 15 Cases; and (iii) any request by an entity for relief from the provisions of this order, for cause shown, as to any of the foregoing, and provided the same is properly commenced and within the jurisdiction of this Court.

Dated: New York, New York

June 10, 2016

/s/ James L. Garrity, Jr.

UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PERFORADORA ORO NEGRO, S. DE R.L.
DE C.V.

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 18-11094 (SCC)

**ORDER (I) SPECIFYING FORM AND MANNER OF SERVICE OF NOTICE;
(II) SCHEDULING A HEARING ON REQUEST FOR PROVISIONAL
RELIEF; (III) SCHEDULING A HEARING ON VERIFIED PETITION
FOR RECOGNITION OF FOREIGN MAIN PROCEEDINGS AND RELATED
RELIEF; AND (IV) SETTING DEADLINE FOR OBJECTIONS TO RECOGNITION**

This matter having come before the Court on the motion (the “Motion”)¹ of Alonso Del Val-Echeverria (“Del Val” or “Petitioner”), in his capacity as Foreign Representative (the “Foreign Representative”) of Integradora de Servicios Petroleros Oro Negro, S.A.P.I. de C.V. (“Integradora Oro Negro”) and Perforadora Oro Negro, S. de R.L. de C.V. (“Perforadora Oro Negro” and, together with Integradora Oro Negro, the “Debtors”), seeking entry of an order (i) specifying the form and manner of service of notice (the “Notice Procedures”); (ii) scheduling a hearing on the request for provisional relief (the “Provisional Relief Hearing”); (iii) scheduling a hearing on the verified petition and the request for recognition of the *Concurso Mercantil* as foreign main proceedings (or alternatively, as foreign nonmain proceedings) and related relief (the “Recognition Hearing”); and (iv) setting a deadline for objections to recognition; and upon the Court’s review and consideration of the Motion, the documents filed therewith and incorporated therein by reference, and the arguments in support thereof; and due and proper notice of the Motion having been given, it is hereby

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Motion.

ORDERED, that the Motion is granted as set forth herein; and it is further

ORDERED, that the Foreign Representative's United States counsel shall provide copies of the Service Documents to any creditor or other party in interest requesting same in writing to Quinn Emanuel Urquhart & Sullivan, LLP, 51 Madison Avenue, 22nd Floor, New York, New York 10010, Attn: Eric D. Winston and Scott C. Shelley; and it is further

ORDERED, that the form of notice of hearing attached to the Motion as Exhibit B (the "Notice") is hereby approved; and it is further

ORDERED, that copies of the Notice shall be served by electronic mail, United States mail, first class postage prepaid or by overnight courier upon the following: (a) all known creditors, (b) all parties against whom provisional relief is being sought (or their counsel), including any such parties (or counsel) that have addresses outside of the United States, and (c) the Office of the United States Trustee, on or before April 24, 2018; and it is further

ORDERED that in accordance with Local Rule 9006-1 and Bankruptcy Rule 9007, the Provisional Relief Hearing shall be held before the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004, on May 2, 2018 at 2:00 p.m. prevailing New York time, or as soon thereafter as counsel may be heard; and it is further

ORDERED, that any objection or other response to the Provisional Relief Motion must (i) be filed with the Bankruptcy Court with proof of service to be received by 10:00 a.m. EDT on April 30, 2018; (ii) be in writing; (iii) state the name and address of the responding party and nature of the claim or interest of such party; (iv) state with particularity the legal and factual bases of any response; (v) conform to the Bankruptcy Rules and Local Bankruptcy Rules; and (vi) be served on the Foreign Representative's counsel at the address given above; and it is further

ORDERED, that in accordance with Bankruptcy Rule 2002(q), the Recognition Hearing shall be held before the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004, on May 14, 2018 at 10:00 a.m. prevailing New York time, or as soon thereafter as counsel may be heard; and it is further

ORDERED, that any objection or other response to the Petitions, the relief requested by the Petitions, or the entry of the Order Granting Recognition of Foreign Main Proceeding and Related Relief must (i) be filed with the Bankruptcy Court with proof of service received by 4:00 p.m. EDT on May 8, 2018; (ii) be in writing; (iii) state the name and address of the responding party and nature of the claim or interest of such party; (iv) state with particularity the legal and factual bases of any response; (v) conform to the Federal Bankruptcy Rules and Local Bankruptcy Rules; and (vi) be served on the Foreign Representative's counsel at the address given above; and it is further

ORDERED, that service pursuant to this Order shall be good and sufficient service and adequate notice for all purposes of the commencement of the chapter 15 case, the Provisional Relief Motion, the Recognition Hearing to consider the Petitions, and the Foreign Representative's request for related relief under 11 U.S.C. §§ 1520 and 1521, and it is further

ORDERED, that all other service requirements specified in 11 U.S.C. § 1514(c) of the Bankruptcy Code are hereby waived.

Dated: April 23, 2018
New York, New York

/S/ Shelley C. Chapman
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

Quebecor World Inc.,

Debtor in Foreign Proceedings.

Chapter 15

Case No. 08-13814 (JMP)

Honorable James M. Peck

**ORDER GRANTING RECOGNITION AND ENFORCEMENT OF
CANADIAN SANCTION ORDER AND RELATED RELIEF**

This matter was brought before the Court by Ernst & Young Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of Quebecor World Inc. ("**QWI**") in proceedings (the "**Canadian Proceedings**") pending before the Quebec Superior Court (Commercial Division) (the "**Quebec Court**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**Motion**") seeking entry of an order pursuant to sections 1507, 1521 and 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**"), recognizing and giving effect in the United States to the Quebec Court's order sanctioning the Plan of Reorganization and Compromise of Quebecor World Inc. (the "**Canadian Sanction Order**"), a copy of which is annexed hereto as Exhibit 1.

Due and timely notice of the filing of the Motion was given to those creditors of QWI required to be served under the Bankruptcy Code, other parties in interest, and the Office of the United States Trustee, which notice is adequate for purposes of the Motion and no other or further notice thereof need be given. Any objections to the Motion that have not been withdrawn or resolved have been overruled.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.

(B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

(C) Venue is proper in this District pursuant to 28 U.S.C. § 1410(3).

(D) The relief granted is necessary and appropriate, in the interests of the public and international comity, consistent with United States public policy, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(E) Pursuant to section 1507(b), the relief granted will reasonably assure:

- (1) just treatment of all holders of claims against or interests in QWI's property;
- (2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in the Canadian Proceedings;
- (3) prevention of preferential or fraudulent dispositions of property of QWI; and
- (4) distribution of proceeds of QWI's property substantially in accordance with the order prescribed by the Bankruptcy Code.

(F) The interest of the public will be served by this Court granting the relief requested by the Monitor.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Sanction Order is hereby given full force and effect in the United States and is binding on all persons subject to this Court's jurisdiction pursuant to sections 1507, 1521(a)(7), and 105(a) of the Bankruptcy Code.

2. The Motion and this Order shall be made available on the Monitor's website at www.ey.com/ca/quebecorworld or upon request at the offices of Allen & Overy LLP,

1221 Avenue of the Americas, New York, New York 10020, Attention: Bethany Kriss, (212)
610-6300, Bethany.Kriss@allenoverly.com.

3. Notwithstanding Rule 7062 of the Federal Rules of Bankruptcy Procedure, made applicable to this case by Rule 1018 of the Federal Rules of Bankruptcy Procedure, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: New York, New York
July 1, 2009

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Canadian Sanction Order

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C. 1985, c. C-36)

File: No: 500-11-032338-085

Montréal, June 30, 2009

Present: The Honourable Robert Mongeon, J.S.C.

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

QUEBECOR WORLD INC., and the other
Petitioners listed on Schedule "A" to the Initial
Order and to this Order

Petitioners

and

ERNST & YOUNG INC.

Monitor

ORDER
(Sanctioning QWI Plan)

SEEING the Petitioners' Motion for an Order Sanctioning the Second Amended and Restated Plan of Reorganization and Compromise of Quebecor World Inc. attached as Schedule "B" to this Order (the "**QWI Plan**"), including the Articles of Reorganization and the Series I and Series II Warrant Indenture posted on the Monitor's website on June 20, 2009 with the note that the latter two documents remain subject to the acceptance of each of the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably, and Other Relief pursuant to Sections 6, 9 and 10 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "**CCAA**") and Section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), and the affidavit of Mr. Roland Ribotti in support thereof (the "**Motion**"), the Monitor's Twenty-Seventh Report dated June 10, 2009 and

Twenty-Eighth Report dated June 23, 2009, and the submissions of counsel for the Petitioners and the Monitor, and other interested parties;

GIVEN the provisions of the initial order granted by this Court in this matter on January 21, 2008, as amended (the "**Initial Order**"), the cross-border insolvency protocol approved by this Court pursuant to the Initial Order, as amended and confirmed by this Court on April 21, 2008 (the "**CBIP**"), the claims procedure order granted by this Court on September 29, 2008 (the "**Claims Procedure Order**"), the cross-border claims protocol approved by this Court on September 29, 2008 pursuant to the Claims Procedure Order (the "**Claims Protocol**"), and the creditors' meeting order granted by this Court on May 14, 2009 (the "**Creditors' Meeting Order**");

GIVEN the provisions of the CCAA and CBCA;

WHEREFORE, THE COURT:

1. **GRANTS** the Motion;

Definitions

2. **ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meaning ascribed thereto in the QWI Plan or the Creditors' Meeting Order, as the case may be;

Joint Hearing

3. **AUTHORIZES** the holding of a Joint Hearing (as such term is defined in the CBIP) to facilitate and coordinate the proper and efficient resolution and adjudication of this matter, and **DECLARES** that said Joint Hearing was validly called and held;

Service and Meeting

4. **DECLARES** that the notices given of the presentation of the Motion and the related Sanction Hearing are proper and sufficient, and in accordance with the Creditors' Meeting Order;

5. **DECLARES** that there has been proper and sufficient service and notice of the Articles of Reorganization and the Meeting Materials, including the QWI Plan, the Circular and the Notice to Creditors in connection with the Creditors' Meeting, to all Affected Creditors, and that the Creditors' Meeting was duly convened, held and conducted in conformity with the CCAA and all other Orders of the Court;
6. **DECLARES** that no meetings or votes of holders of Existing QWI Shares or Other Equity Securities are required in connection with the QWI Plan or the adoption or filing of the Articles of Reorganization, or any exchange, transfer, compromise, arrangement, reorganization or other transaction, including the Restructuring Transactions, effected or contemplated thereby;

QWI Plan Sanction

7. **DECLARES** that:
 - (a) the QWI Plan has been approved by the Required Majorities of Affected Creditors of QWI in conformity with the CCAA;
 - (b) there is no evidence before the Court to suggest that QWI has not complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects;
 - (c) there is no evidence before the Court to suggest that QWI has neither done nor purported to do anything that is not authorized by the CCAA;
 - (d) the QWI Plan and the transactions, including the Restructuring Transactions and reorganization, contemplated thereby are fair and reasonable, and in the best interests of QWI, the Affected Creditors and the other stakeholders of QWI (having considered, among other things, the composition of the vote, what creditors would receive in liquidation or sale as compared to the QWI Plan, alternatives to the QWI Plan or liquidation or sale, whether any oppression exists or has occurred, the treatment of shareholders and the public interest);

- (c) prior to the Court's sanctioning of the QWI Plan and approving the transactions, including the Restructuring Transactions, contemplated therein, the Court conducted a hearing and made findings of fact and conclusions of law that the terms and conditions of the issuance of the QWI Common Shares, the QWI Class A Preferred Shares, the Warrant Bundles and the Litigation Trust Interests to the Affected Creditors under the QWI Plan and the U.S. Plan collectively in exchange for, and in full and final satisfaction of, the Affected Claims held by the Affected Creditors, were approved and determined to be substantively and procedurally "fair" to the Affected Creditors and all other Persons (the "**Fairness Hearing**") and, in connection therewith, as part of the Fairness Hearing, the Court made the following additional findings of fact and/or conclusions of law: (i) that prior to the Fairness Hearing, QWI advised the Court that it would be relying on the Section 3(a)(10) exemption under the *U.S. Securities Act*, and the exemption under Section 1145 of the *U.S. Bankruptcy Code* in order to issue, without registration with the United States Securities and Exchange Commission, the QWI Common Shares, the QWI Class A Preferred Shares, the Warrant Bundles and the Litigation Trust Interests to the Affected Creditors (or to such other Persons as set out in the Restructuring Transactions Notice); (ii) that the Court was, and is, authorized under the CCAA to conduct the Fairness Hearing and to approve the fairness of the terms and conditions of such issuance and exchange; and (iii) that the Fairness Hearing was open to all of the Affected Creditors and all other Persons and, prior to the Fairness Hearing, all of the Affected Creditors and all other Persons were given adequate notice thereof and that there were no impediments to the Affected Creditors and all other Persons appearing and being heard at said hearing;
8. **ORDERS** that the QWI Plan (including the compromises, arrangements, reorganizations, corporate transactions, releases and discharges set out therein and the transactions, Restructuring Transactions and reorganization contemplated thereby) is sanctioned and approved pursuant to Section 6 of the CCAA and Section 191 of the CBCA and, as at the Completion Time, will be effective and will enure to the benefit of and be binding upon QWI, the Affected Creditors and all other Persons stipulated in the QWI Plan;

QWI Plan Implementation

9. **ORDERS** that QWI, the other Petitioners and the Monitor are authorized and directed to take all steps and actions necessary or appropriate, as determined by QWI and the other Petitioners in accordance with and subject to the terms of the QWI Plan, to implement the QWI Plan, including, without limitation, filing the Articles of Reorganization with the Director, and the transactions contemplated by the QWI Plan in accordance with and subject to the terms of the QWI Plan and this Order (including to enter into, implement and consummate the contracts, instruments, releases, indentures and other documents to be created or which have come into effect in connection with the QWI Plan) and such steps and actions are approved;
10. **DECLARES** that, effective as of the Implementation Date, the articles of QWI will be amended as set out in the Articles of Reorganization;
11. **DECLARES** that, effective as of the Implementation Date, all Other Equity Securities will be of no further force or effect, and that all such Other Equity Securities will be cancelled for no consideration and any agreement, contract, plan, indenture, deed, certificate or other document or instrument having created or governing such Other Equity Securities will be terminated as at such date;
12. **DECLARES** that the Restructuring Transactions shall be effected, subject to Section 5.2 of the QWI Plan, in accordance with the Restructuring Transactions Notice;
13. **DECLARES** that the QWI Common Shares, QWI Class A Preferred Shares and Warrant Bundles issued in connection with the QWI Plan, the Articles of Reorganization or the Warrant Indenture (these two last documents having been posted on the Monitor's website on June 20, 2009 with the note that they remain subject to the acceptance of each of the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably), will be validly issued and outstanding, and in the case of the QWI Common Shares and the QWI Class A Preferred Shares, will be issued as fully paid and non-assessable;
14. **ORDERS** that, without limitation to the Claims Procedure Order and the Claims Protocol, an Affected Creditor who did not file a Proof of Claim in accordance with the

provisions of the Claims Procedure Order and the Claims Protocol, whether or not such Affected Creditor received notice of the claims process established by the Claims Procedure Order and the Claims Protocol, shall be and is hereby forever barred from making any Affected Claim against QWI and shall not be entitled to any distribution under the QWI Plan, and that such Affected Claim is forever extinguished;

15. **ORDERS** that, as of the Implementation Date, and subject to the terms of the QWI Plan (including, without limitation, Article 4 thereof), all Affected Claims of Affected Creditors of any nature against QWI or the Property (as defined in the Initial Order) are hereby forever discharged and released and all proceedings with respect thereto or in connection therewith are permanently stayed, subject only to the right of the Affected Creditors to receive the distributions in respect of such Affected Claims in accordance with the QWI Plan, the Claims Procedure Order and the Claims Protocol;
16. **ORDERS** that all Affected Creditors having an Affected Claim of any nature against QWI or the Property (as defined in the Initial Order) shall, at the request of QWI from and after the Completion Time, execute and deliver to QWI such further releases, discharges, authorizations and directions, instruments, notices and other documents as QWI may reasonably request for the purpose of evidencing the release of all of the security interests, hypothecs, assignments, pledges, mortgages, charges and other liens with respect to such Affected Claim of any nature against QWI or the Property, the whole at the expense of QWI;
17. **DECLARES** that all Proven Claims determined in accordance with the Claims Procedure Order, the Claims Protocol, the Creditors' Meeting Order and the QWI Plan are final and binding on QWI and all Affected Creditors;
18. **GIVEN** that the discharge and release provisions set forth herein constitute good faith compromises and settlements of the matters covered thereby, such compromises and settlements are made in exchange for consideration and are in the best interests of QWI and its stakeholders, are fair, equitable, reasonable, and are integral elements of the restructuring and resolution of these proceedings in accordance with the Plan, and each of the discharges and releases provisions set forth in the Plan;

- (a) is within the jurisdiction of the Court,
- (b) is an essential means of implementing the Plan,
- (c) is an integral element of the settlements and transactions incorporated into the Plan,
- (d) is supported by valuable consideration provided by the beneficiary of such provisions,
- (e) confers material benefit on, and is in the best interests of, QWI and their stakeholders, and,
- (f) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties- in-interest in these proceedings with respect to QWI and its organization, capitalization, operation, and reorganization.

the failure to effect the discharge, release, indemnification, and exculpation provisions described in the Plan would seriously impair the ability of QWI to sanction the Plan.

19. **ORDERS** that as at the Completion Time and subject to the provisions of Subsection 5.1(2) of the CCAA, QWI will be deemed forever to release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights of QWI to enforce the QWI Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered thereunder or pursuant thereto) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing in any way relating to QWI, the subject matter of, or the transactions or events giving rise to, any Claims or interests that are treated in the QWI Plan or in the U.S. Plan that could be asserted by or on behalf of QWI against: (i) present or former directors, officers and employees of QWI, in each case, in their respective capacities as of the Determination Date; (ii) the New Directors (as defined below) in respect of any actions taken pursuant to the consulting and indemnity agreement referred to below; (iii) the agents, legal counsel, financial advisors and other professionals of QWI and the Subsidiaries (including all current and former legal counsel to the directors of QWI and the Subsidiaries); (iv) the Monitor, its legal counsel and its current officers and directors; (v) the Syndicate Committee, all current and former members of the Syndicate Committee in

their respective capacities as such, and the Administrative Agent and the Syndicate Agreement Collateral Agent in their respective capacities as such; (vi) the Syndicate Released Parties; (vii) the Senior Notes Released Parties; (viii) the DIP Lenders solely in their capacities as such; (ix) the Creditors' Committee and all current and former members of the Creditors' Committee in their respective capacities as such; (x) the Chief Restructuring Officer; and (xi) where applicable, with respect to each of the above named parties, such party's advisors, principals, employees, officers, directors, representatives, financial advisors, counsel, accountants, investment bankers, consultants, agents and other representatives or professionals, provided, however, and notwithstanding anything else contained in the QWI Plan or the U.S. Plan, that any Holder of Affected Soc. Gen Claims in its capacity as such shall not be deemed to be released in respect of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, including, without limitation, in respect of the Paulian Action;

20. **ORDERS** that, as at the Completion Time, or in the case of Subsidiaries that are also subject to releases under the U.S. Plan, at the times contemplated for such releases under the U.S. Plan, the Released Parties, namely, QWI, the Subsidiaries, the Monitor and the Chief Restructuring Officer, as well as their respective present and former officers, directors, principals, employees, financial advisors, counsel, investment bankers, consultants, agents and accountants, and the New Directors (as defined below) will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including QWI and the U.S. Debtors, as applicable, and including any Person who may claim contribution or indemnification against or from them) may be entitled to assert (including any and all claims in respect of potential statutory liabilities of the Persons for which the Initial Order authorized the granting of a CCAA Charge, but other than the rights of Persons to enforce the QWI Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder or pursuant thereto) whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction,

dealing or other occurrence existing or taking place on or prior to the Completion Time relating to, arising out of or in connection with the Claims, the business and affairs of the Petitioners, the CCAA Charges, the QWI Plan, the U.S. Plan and the CCAA Proceedings, provided that nothing in this paragraph 20 will release or discharge any Petitioner from or in respect of any Excluded Claim, or QWI from or in respect of the Paulian Action;

21. **ORDERS**, that as at the Completion Time, all Affected Creditors will be deemed forever to release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, as against the Syndicate Releasees, namely the Administrative Agent, and any lender in the Syndicate, from time to time, and each such Person's advisors, principals, employees, officers, directors, representatives, financial advisors, counsel, accountants, investment bankers, consultants, agents and other representatives or professionals, and the Syndicate Agreement Collateral Agent in relation to the Syndicate Agreement and the recoveries or distributions to which the Administrative Agent, the Syndicate Agreement Collateral Agent or any Syndicate member may be, or may in the future become, entitled to receive under the QWI Plan and in furtherance thereof, without limitation, the Paulian Action shall be dismissed, with prejudice, without costs as against the Syndicate Releasees and the Syndicate Agreement Collateral Agent to the extent of the rights and benefits it holds in favour of the Syndicate Releasees under the Syndicate Agreement;

22. **ORDERS** that, from and after the Completion Time, all Persons shall be deemed to have waived any and all defaults of QWI (except for defaults under the securities, contracts, instruments, releases and other documents delivered under the QWI Plan or entered into in connection therewith or pursuant thereto) then existing or previously committed by QWI or caused by QWI, directly or indirectly, or non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and QWI arising from the filing by the Petitioners under the CCAA or the transactions contemplated by the QWI Plan, and any and all notices of

default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded;

23. **DECLARES** that, subject to the performance by QWI of its obligations under the QWI Plan, all contracts, leases, agreements and other arrangements to which QWI is a party and that have not been terminated or repudiated pursuant to the Initial Order will be and remain in full force and effect, unamended, as at the Completion Time, and no Person who is a party to any such contract, lease, agreement or other arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of dilution or other remedy) or make any demand under or in respect of any such contract, lease, agreement or other arrangement and no automatic termination will have any validity or effect, by reason only of:

- (a) any event that occurred on or prior to the Implementation Date and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults, events of default, or termination events arising as a result of the insolvency of QWI);
- (b) the insolvency of QWI or the fact that QWI or any Subsidiary sought or obtained relief under the CCAA, the CBCA or the Bankruptcy Code;
- (c) any compromises or arrangements effected pursuant to the QWI Plan or any action taken or transaction effected pursuant to the QWI Plan; or
- (d) any change in the control of QWI arising from the implementation of the QWI Plan;

24. **ENJOINS** the prosecution, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgement, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the QWI Plan including, without limitation, the Paulian Action against the Syndicate Released Parties;

25. **ORDERS**, that each of the individuals named on Schedule "C" hereto shall, upon their consent, be appointed as new directors of QWI (the "**New Directors**") to hold office until

such time as successors shall be appointed or elected in accordance with the CBCA or they sooner cease to hold office in accordance with the CBCA, and further **ORDERS** that such appointments shall be effective upon the Implementation Date (or, in the event that their consent to act as a new Director of QWI is given after the Implementation Date, upon such consent date), or:

- (a) in the event that any of the individuals named on Schedule "C" hereto cannot serve as new directors of QWI as and from the Implementation Date but are ultimately able to serve beginning on a date after the Implementation Date (such later date for any given individual being his "**Delayed Incumbency Date**"), then the applicable Delayed Incumbency Date for such individual, such date not to be later than thirty days following the Implementation Date; or
- (b) in the event that it is impossible to establish, as of the Implementation Date, the legislatively prescribed minimum quorum of three (3) directors of QWI, then such later date (the "**Quorum-related Incumbency Date**") as the search committee referred to in Section 5.9 of the QWI Plan (the "**Selection Committee**") shall designate in respect of the new director(s) required to meet such minimum quorum, such date not to be later than thirty days following the Implementation Date;

- 26. **ORDERS** that effective upon the Implementation Date, or the Quorum-related Incumbency Date, if any, any current director who is then in office shall cease to be a director of QWI, unless such individual is appointed as new director pursuant to paragraph 25 above;
- 27. **ORDERS** that QWI is hereby authorized and directed to provide an indemnity to the New Directors substantially in the form of the consulting and indemnity agreement dated June 18, 2009 and attached hereto as Schedule "D";
- 28. **DECLARES** that, effective as at the Completion Time, the Application for Bankruptcy Order, and the endorsement related thereto dated January 25, 2008 will be of no further force or effect and that the Syndicate Released Parties are released and discharged from the Paulian Action;

Charges created in the CCAA Proceedings

29. **ORDERS** that all CCAA Charges and any other charges against the assets of the Petitioners that were created pursuant to orders of the Court in the CCAA Proceedings will be cancelled, released and discharged as of the Completion Time;

Exit Financing

30. **ORDERS** that QWI is authorized and empowered to (i) enter into and perform and receive the proceeds of the Exit Loan Facility, including a revolving credit facility in the aggregate principal amount of approximately U.S. \$350,000,000 and a term loan in the aggregate principal amount of approximately U.S. \$450,000,000, the whole to be in form and substance acceptable to the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably, and on the terms described in the exit financing term sheets, as filed, as such term sheets may be amended, supplemented or otherwise modified, in each case as approved by the borrowers, the lead arrangers and agents parties thereunder and the whole to be in form and substance acceptable to the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably, (the "Term Sheets"), (ii) grant security interests, hypothecs, charges, claims and liens in connection therewith, and (iii) pay the fees, costs and expenses in connection with the arrangement, syndication and all other matters relating to or arising under the Exit Loan Facility as set out in the Term Sheets, and the Engagement Letter approved by this Court on May 8, 2009. On the Implementation Date, all of the liens and security interests to be granted by QWI in accordance with the Exit Loan Facility shall be deemed to be approved. The terms and conditions of the Exit Loan Facility as set forth in said exit financing term sheets, as such term sheets may be amended, supplemented or otherwise modified from time to time by the borrowers, the lead arrangers and agents parties thereunder, in form and substance acceptable to the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably, are approved and ratified as being entered into in good faith and being critical to the success and feasibility of the Plan;
31. **ORDERS** that QWI is authorized and empowered to execute and deliver credit agreements, guarantees, security documents, and other documents required to effectuate

the Exit Loan Facility (collectively, the "**Exit Loan and Security Documents**"), as may be required by the Exit Loan Facility's lenders in connection with the Exit Loan Facility, such Exit Loan Facility and the Exit Loan and Security Documents to be in form and substance acceptable to the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably, and QWI is authorized to perform all of its obligations under the Exit Loan and Security Documents;

Stay Extension

32. **DECLARES** that the stay of proceedings under the Initial Order shall continue until the filing with this Court of a certificate of the Monitor confirming that the Implementation Date has occurred, the date of such filing to be the Stay Termination Date (as such term is defined in the Initial Order);
33. **ORDERS** that all other Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by, or inconsistent with, this Order, the Creditors' Meeting Order, or any further Order of this Court;

Monitor and Chief Restructuring Officer

34. **ORDERS** that the First to Twenty Ninth Reports of the Monitor filed with this Court (the "**Monitors' Reports**") be and are hereby approved, that all actions and conduct of the Monitor and Chief Restructuring Officer in connection with the Claims, the business and affairs of the Petitioners, the CCAA Charges, the QWI Plan, the U.S. Plan and the CCAA Proceedings, including, without limitation, the actions and conduct of the Monitor and the Chief Restructuring Officer disclosed in the Monitors' Reports, are hereby approved, and that the Monitor and the Chief Restructuring Officer have satisfied all of their obligations up to and including the date of this Order;
35. **APPROVES** the conduct of the Chief Restructuring Officer and the Monitor in relation to QWI and the other Petitioners and, provided that they have acted reasonably and in good faith, **DECLARES** that they shall not be held liable for loss or damage to any person with respect to their acts errors and omissions;

36. **ORDERS** that no proceeding shall be commenced against the Monitor or the Chief Restructuring Officer in any way arising from or related to its capacity or conduct as Monitor or Chief Restructuring Officer except with prior leave of this Court on notice to the Monitor and Chief Restructuring Officer and upon further order securing, as security for costs, the solicitor and his own client costs of the Monitor in connection with the proposed action or proceeding;
37. **ORDERS** that the protections afforded to Ernst & Young Inc. as Monitor and as an officer of this Court, and to the Chief Restructuring Officer pursuant to the terms of the Initial Order and the other Orders made in the CCAA Proceedings shall not expire or terminate on the Implementation Date and, subject to the terms hereof, shall remain effective and in full force and effect notwithstanding the discharge provided for herein;
38. **ORDERS** that the Monitor shall be discharged of its duties and obligations pursuant to the QWI Plan, this Order and all other Orders made in the CCAA Proceedings, upon the filing with this Court of a certificate of the Monitor certifying that all of its duties in relation to the claims procedure and all matters relating thereto as set out in the Claims Procedure Order and the Claims Protocol, and all other matters for which it is responsible under the QWI Plan or pursuant to the Orders of this Court made in the CCAA Proceedings, are completed to the best of the Monitor's knowledge;

Claims Officers

39. **ORDERS** that, in accordance with paragraph 33 hereof, any Claims Officer appointed in accordance with the Claims Procedure Order shall continue to have the authority conferred upon, and to benefit from all protections afforded to, Claims Officers pursuant to Orders in the CCAA Proceedings;

General

40. **ORDERS** that the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, the Petitioners and the Monitor shall continue to discuss with a view to reaching an acceptable compromise on the wording of the Articles of Reorganization and the Series I and II Warrant Indenture (Exhibit R-4). If no agreement is reached by July 13, 2009 a Joint Hearing shall be scheduled and held at 2:30 p.m. to

further assess the situation, take whatever steps and render such further orders as are necessary in order to resolve any dispute resulting for the foregoing;

41. **DECLARES** that any of the Petitioners or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other;
42. **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada, in the United States of America and elsewhere;
43. **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order, including, without limitation, the registration of this Order in any office of public record by any such court or administrative body or by any Person affected by the Order;

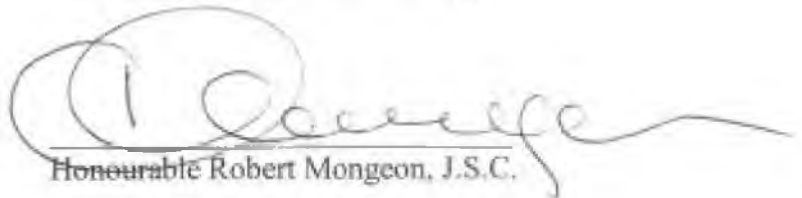
Provisional Execution

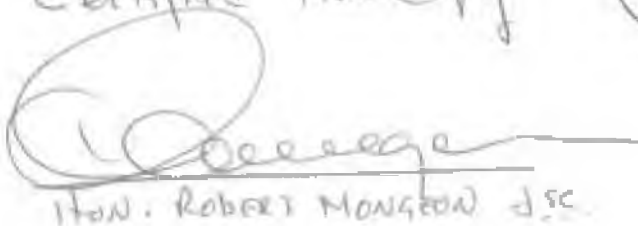
44. **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security;

THE WHOLE, without costs.

Montréal (Quebec), June 30, 2009

Certified True Copy


Honourable Robert Mongeon, J.S.C.


Hon. ROBERT MONGEON J.S.C.

Schedule "A"

Quebecor World (USA) Inc.	Delaware
Quebecor Printing Holding Company	Delaware
Quebecor World Capital Corporation	Delaware
Quebecor World Capital II GP	Delaware
Quebecor World Capital II LLC	Delaware
QW Memphis Corp.	Delaware
The Webb Company	Delaware
Quebecor World Printing (USA) Corp.	Delaware
Quebecor World Loveland Inc.	Delaware
Quebecor World Systems Inc.	Delaware
Quebecor World San Jose Inc.	California
Quebecor World Buffalo Inc.	New York
Quebecor World Johnson & Hardin Co.	Ohio
Quebecor World Northeast Graphics Inc.	Delaware
Quebecor World Up / Graphics Inc.	Delaware
Quebecor World Great Western Publishing Inc.	Arizona
Quebecor World DB Acquisition Corp.	Georgia
WCP-D, Inc.	Delaware
Quebecor World Tropic Holdings Inc.	Virginia
Quebecor World Retail Printing Corporation	Massachusetts
Quebecor World Arcata Corp.	Delaware
Quebecor World Nevada Inc.	Nevada
Quebecor World Aiglen Inc.	Delaware
Quebecor World Krueger Acquisition Corp.	Delaware
Quebecor World Book Services LLC	Delaware
Quebecor World Dubuque Inc.	Delaware
Quebecor World Pendell Inc.	Michigan
Quebecor World Fairfield Inc.	Delaware
QW New York Corp.	Delaware
Quebecor World Dallas II Inc.	Delaware
Quebecor World Nevada II LLC	Delaware
Quebecor World Dallas, L.P.	Delaware
Quebecor World Mt. Morris II LLC	Delaware
Quebecor World Petty Printing Inc.	Illinois
Quebecor World Hazleton Inc.	Pennsylvania
Quebecor World Olive Branch Inc.	Delaware
Quebecor World Dittler Brothers Inc.	Georgia
Quebecor World Atlanta II LLC	Georgia
Quebecor World Rui Inc.	Wisconsin
Quebecor World KRI Inc.	Delaware
Quebecor World Century Graphics Corporation	Louisiana
Quebecor World Waukeg Inc.	Iowa
Quebecor World Logistics Inc.	Delaware
Quebecor World Mid-South Press Corporation	Tennessee
Quebecor World Lease GP	Delaware
Quebecor Printing Aviation Inc.	Delaware
WCZ, LLC	Delaware
Quebecor World Eusey Press Inc.	Massachusetts
Quebecor World Infinit Graphics Inc.	Connecticut
Quebecor World Lincoln Inc.	Delaware
Quebecor World Magna Graphics Inc.	Kentucky
Quebecor World Memphis LLC	Delaware
Quebecor World Lease LLC	Delaware

Schedule "B"
Second Amended and Restated Plan of Reorganization and Compromise
dated June 8, 2009 of QWI
(Attached)

a clean copy thereof to be attached to the Court Order to be presented at the Sanction Hearing

and a copy thereof is available at the following page of the Monitor's website

<http://documentcentre.eycan.com/Pages/Main.aspx?SID=54>

under the heading "Information relating to the Creditors' Meeting and the vote",
subheading "Updated and New Documents, dated June 8, 2009".

together with the Articles of Reorganization and the Series I and Series II Warrant Indenture posted on the Monitor's website on June 20, 2009, under the same heading "Information relating to the Creditors' Meeting and the vote", and subheading "New documents, dated June 20, 2009", with the note that these two documents remain subject to the acceptance of each of the Administrative Agent, the Ad Hoc Group of Noteholders and the Creditors' Committee, acting reasonably

Schedule "C"
Directors of QWI

1. **Michael Allen**, veteran of the printing industry.
2. **Mark Angelson**, CEO and Director at RR Donnelley between 2004 and March 2007.
3. **Raymond J. Bromark**, director of CA, Inc. since 2007 and retired senior partner of PricewaterhouseCoopers.
4. **Gabriel de Alba**, Managing Director and Partner of Catalyst Capital Group of Toronto.
5. **James J. Gaffney**, serving on Duff & Phelps' Senior Advisory Board since 2007 and director of the Imperial Sugar Company since August 2001. Also served as Chairman since February 2003.
6. **Jack Kliger**, former President and CEO of Hachette Filipacchi. Occupied other positions at Si Newhuse's Advance Publications, Condé Nast and *Parade*.
7. **Jacques Mallette**, Quebecor World Inc.'s Chief Executive Officer.
8. **David L. McAusland**, Executive Vice President of Corporate Development at Rio Tinto Alcan (formerly, Alcan Inc.) of Alcan France S.A.S. from 2005 to 2008 and Chief Legal Officer from October 2000 to February 2008.
9. **Thomas O. Ryder**, Director of Amazon.Com, Inc. since November 2002, Director of Starwoods Hotels & Resorts Worldwide, Inc. and Chairman of the Board of Directors at Virgin Mobile USA, Inc.

Schedule "D"
Consulting and Indemnity Agreement

CONSULTING AND INDEMNITY AGREEMENT

THIS AGREEMENT is made as of June 18, 2009

BETWEEN:

QUEBECOR WORLD INC., a corporation governed by the laws
of Canada, (the "**Corporation**")

- and -

The individuals listed on Schedule "A" hereto
(the "**Consulting Parties**" and each an "**Consulting Party**")

RECITALS:

- A. On January 21, 2008, the Corporation filed for creditor protection under the *Companies' Creditors Arrangement Act* in Canada with the Quebec Superior Court of Justice (the "**Court**"), as well as in the United States under Chapter 11 of the United States Bankruptcy Code (the "**Proceedings**").
- B. In connection with the Proceedings, a meeting of the creditors of the Corporation was held on June 22, 2009, to consider and approve the Second Amended and Restated Plan of Reorganization and Compromise of the Corporation dated June 8, 2009 (the "**Reorganization Plan**"), pursuant to which, among other things, a new slate of directors (the "**Proposed Directors**") will be appointed upon the implementation of the Reorganization Plan on or before July 21, 2009.
- C. It is currently anticipated that the Reorganization Plan will be sanctioned by the Court on June 30, 2009 and that such order will, effective on the implementation of the Reorganization Plan, appoint the following individuals as directors of the Corporation: Mark Angelson, Michael Allen, Raymond J. Bromark, James J. Gaffney, Jack Kliger, David L. McAusland, Thomas O. Ryder and Gabriel de Alba.
- D. In order to facilitate an orderly transition of the Corporation on the date that the Corporation implements the Reorganization Plan (the "**Implementation Date**"), it is in the best interests of the Corporation that the Proposed Directors receive information concerning the business and affairs of the Corporation (including confidential and proprietary information), make preparations to assume responsibility for board matters on the Implementation Date, and in that regard, provide the Corporation and the existing board with consulting advice regarding transitional and other matters as they may deem appropriate or necessary to effect or facilitate such orderly transition of responsibility for board matters (the "**Transition Process**").
- E. Accordingly, the Corporation considers it desirable and in the best interests of the Corporation to enter into this Agreement to set out, *inter alia*, the circumstances and manner in which the Proposed Directors may be indemnified in respect of certain

liabilities or expenses which such Proposed Directors may incur as a result of participating in the Transition Process.

THEREFORE, the Parties agree as follows:

ARTICLE I DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

- (a) **"Act"** means the *Canada Business Corporations Act*, as the same exists on the date of this Agreement or may hereafter be amended;
- (b) **"Agreement"** means this consulting and indemnity agreement, including all schedules, and all amendments or restatements as permitted, and references to "Article" or "Section" mean the specified Article or Section of this Agreement;
- (c) **"Business Day"** means any day, other than a Saturday or Sunday, on which the principal commercial banks located in Toronto, Ontario and Montreal, Quebec are open for commercial banking business during normal banking hours;
- (d) **"Claim"** includes any civil, criminal, administrative or investigative or other proceeding of any nature or kind in which the Consulting Party is involved during the Transition Period because of the Consulting Party's association with the Corporation or Other Entity, or as a result of his or her participation in the Transition Process;
- (e) **"Losses"** includes all costs, charges, expenses, losses, damages, fees (including any legal, professional or advisory fees or disbursements), liabilities, amounts paid to settle or dispose of any Claim or satisfy any judgment, fines, penalties or liabilities, without limitation, and whether incurred alone or jointly with others, including any amounts which the Consulting Party may reasonably suffer, sustain, incur or be required to pay in respect of the investigation, defence, settlement or appeal of or preparation for any Claim or in connection with any action to establish a right to indemnification under this Agreement, and for greater certainty, includes all taxes, interest, penalties and related outlays of the Consulting Party arising from any indemnification of the Consulting Party by the Corporation pursuant to this Agreement;
- (f) **"Other Entity"** means a Subsidiary of the Corporation;
- (g) **"Parties"** means the Corporation and the Consulting Party collectively and **"Party"** means any one of them;

- (h) **"Subsidiary"** has the meaning set out in the Act; and
- (i) **"Transition Period"** means the period of time commencing on the date of this Agreement and terminating on the Implementation Date.

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.
- (b) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) **Number** – Unless the context otherwise requires, words importing the singular include the plural and *vice versa*.
- (d) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Parties or circumstances.
- (e) **Entire Agreement** – This Agreement, including Schedule A, constitutes the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.
- (f) **Schedules** – Schedule A is an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS

2.1 Representations of the Corporation

The Corporation represents and warrants to the Consulting Party that:

- (a) **Incorporation and Corporate Power** – The Corporation is a corporation duly incorporated and existing under the laws of Canada and has all necessary corporate power, authority and capacity to enter into this Agreement, to carry out its obligations under this Agreement, to own its assets and to carry on its business as presently conducted.
- (b) **Due Authorization** – The execution and delivery of this Agreement and the performance of the obligations contemplated by this Agreement have been duly authorized by all necessary corporate action on behalf of the Corporation. Subject to the approval of the Court, this Agreement constitutes a valid and binding obligation of the Corporation enforceable against it in accordance with its terms.
- (c) **No Conflict** – The Corporation is not a party to, bound or affected by or subject to any:
 - (i) indenture, mortgage, agreement, obligation or instrument;
 - (ii) charter or by-law; or
 - (iii) applicable law, statute, regulation, rule, order, ordinance, judgment, decree, licence or permit,that would be violated, breached by, or under which default would occur or an encumbrance would be created as a result of the execution and delivery of this Agreement or the performance of any of the obligations provided for under this Agreement.

ARTICLE 3 TRANSITIONAL MATTERS

3.1 Engagement of Consulting Parties

The Corporation hereby engages each of the Consulting Parties to: (a) provide the Corporation and the existing board of directors of the Corporation with such advice as he deems necessary or advisable from time to time in connection with the Transition Process; and (b) prepare, plan for and do or take all such necessary or advisable steps to effect an orderly transition of responsibility for board matters on the Implementation Date. It is understood and agreed that, until the appointment of the Consulting Parties as directors of the Corporation on the Implementation Date, none of the Consulting Parties shall be deemed to be acting as directors of the Corporation, and that all authority, power and responsibility for any and all corporate and

other matters regarding the Corporation prior to the Implementation Date shall remain the sole authority, power and responsibility of the existing board of directors of the Corporation and management. For greater certainty: (a) all matters, steps or measures taken by the Corporation in respect of the Transition Process prior to the Implementation Date shall be subject to the approval of the existing board of directors of the Corporation; and (b) the Consulting Parties do not and shall not be deemed to assume any powers, authorities, responsibilities or duties of or belonging to the existing board of directors of the Corporation or management in respect of any corporate, transition or other matters relating to or arising prior to the Implementation Date.

3.2 Confidentiality

Each of the Consulting Parties agrees to maintain as confidential all information of a non-public nature relating to the Corporation which is provided to them prior to the Implementation Date.

ARTICLE 4 INDEMNIFICATION BY CORPORATION AND OBLIGATIONS OF CONSULTING PARTY

4.1 Indemnification

- (a) **General Indemnity** – Except in respect of an action by or on behalf of the Corporation or Other Entity to procure a judgment in its favour against the Consulting Party, or except as otherwise provided in this Agreement, the Corporation agrees to indemnify and hold the Consulting Party harmless from and against any and all Losses which the Consulting Party may reasonably suffer, sustain, incur or be required to pay in respect of any Claim, provided that the indemnity provided for in this Section 4.1(a) will only be available if:
 - (i) the Consulting Party was acting honestly and in good faith with a view to the best interests of the Corporation or Other Entity, as the case may be;
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the Consulting Party had reasonable grounds for believing that the Consulting Party's conduct was lawful.
- (b) **Indemnity as of Right** – Notwithstanding anything in this Agreement, the Consulting Party is entitled to an indemnity from the Corporation in respect of all costs, charges and expenses reasonably incurred by the Consulting Party in connection with the defence of any Claim, if the Consulting Party:
 - (i) was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the Consulting Party ought to have done; and
 - (ii) fulfils the conditions set out in Sections 4.1(a)(i) and (a)(ii) above.

- (c) **Derivative Claims** – In respect of any action by or on behalf of the Corporation or Other Entity to procure a judgment in its favour against the Consulting Party, in respect of which the Consulting Party is made a party because of the Consulting Party's association with the Corporation or Other Entity or as a result of the Consulting Party's participation in the Transition Process, the Corporation shall make application, at its expense, for the approval of a court of competent jurisdiction to advance monies to the Consulting Party for costs, charges and expenses reasonably incurred by the Consulting Party in connection with such action and to indemnify and save harmless the Consulting Party for such costs, charges and expenses of such action provided the Consulting Party fulfils the conditions set out in Sections 4.1(a)(i) and (a)(ii) above and provided the Consulting Party shall repay such funds advanced if the Consulting Party ultimately does not fulfil the conditions set out in Sections 4.1(a)(i) and (a)(ii) above.
- (d) **Incidental Expenses** – Except to the extent such costs, charges or expenses are paid by the Other Entity, the Corporation shall pay or reimburse the Consulting Party for the Consulting Party's reasonable and necessary travel, lodging or accommodation costs, charges or expenses paid or incurred by or on behalf of the Consulting Party.
- (e) **Partial Indemnification** – If the Consulting Party is determined to be entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the Losses incurred in respect of any Claim but not for the total amount thereof, the Corporation shall nevertheless indemnify the Consulting Party for the portion thereof to which the Consulting Party is determined by a court of competent jurisdiction to be so entitled.
- (f) **Advance of Expenses** – Subject to Section 4.1(c) of this Agreement, the Corporation shall, at the request of the Consulting Party, advance to the Consulting Party sufficient funds, or arrange to pay on behalf of or reimburse the Consulting Party for any costs, charges or expenses reasonably incurred by the Consulting Party in investigating, defending, appealing, preparing for, providing evidence in or instructing and receiving the advice of the Consulting Party's counsel or other professional advisors in regard to any Claim or other matter for which the Consulting Party may be entitled to an indemnity or reimbursement under this Agreement, and such amounts shall be treated as a non-interest bearing advance or loan to the Consulting Party, pending approval of the Corporation and the court (if required), to the payment thereof as an indemnity and provided that the Consulting Party fulfils the conditions set out in Sections 4.1(a)(i) and (a)(ii) above. In the event it is ultimately determined by a court of competent jurisdiction that the Consulting Party did not fulfil the conditions set out in Sections 4.1(a)(i) and (a)(ii) above, or that the Consulting Party was not entitled to be fully so indemnified, such loan or advance, or the appropriate portion thereof shall, upon written notice of such determination being given by the Corporation to the Consulting Party detailing the basis for such determination, be

repayable on demand and shall bear interest from the date of such notice at the prime rate prescribed from time to time by the Bank of Canada.

4.2 Notice of Proceedings

The Consulting Party shall give notice in writing to the Corporation as soon as practicable upon being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing, threatening or continuing any Claim involving the Corporation or Other Entity or the Consulting Party which may result in a claim for indemnification under this Agreement, and the Corporation agrees to give the Consulting Party notice in writing as soon as practicable upon it or any Other Entity being served with any statement of claim, writ, notice of motion, indictment, subpoena, investigation order or other document commencing or continuing any Claim involving the Consulting Party. Such notice shall include a description of the Claim or threatened Claim, a summary of the facts giving rise to the Claim or threatened Claim and, if possible, an estimate of any potential liability arising under the Claim or threatened Claim. Failure by the Consulting Party to so notify the Corporation of any Claim shall not relieve the Corporation from liability under this Agreement except to the extent that the failure materially prejudices the Corporation.

4.3 Subrogation - The Corporation

Promptly after receiving written notice from the Consulting Party of any Claim or threatened Claim (other than a Claim by or on behalf of the Corporation or Other Entity to procure a judgment in its favour against the Consulting Party), the Corporation may, and upon the written request of the Consulting Party shall, by notice in writing to the Consulting Party, assume conduct of the defence thereof in a timely manner and retain counsel on behalf of the Consulting Party who is reasonably satisfactory to the Consulting Party, to represent the Consulting Party in respect of the Claim. On delivery of such notice by the Corporation, the Corporation shall not be liable to the Consulting Party under this Agreement for any fees and disbursements of counsel the Consulting Party may subsequently incur with respect to the same matter. In the event the Corporation assumes conduct of the defence on behalf of the Consulting Party, the Consulting Party consents to the conduct thereof and of any action taken by the Corporation, in good faith, in connection therewith, and the Consulting Party shall fully cooperate in such defence including, without limitation, the provision of documents, attending examinations for discovery, making affidavits, meeting with counsel, testifying and divulging to the Corporation all information reasonably required to defend or prosecute the Claim.

4.4 Separate Counsel

In connection with any Claim or other matter for which the Consulting Party may be entitled to indemnity under this Agreement, the Consulting Party shall have the right to employ separate counsel of the Consulting Party's choosing and to participate in the defence thereof but the fees and disbursements of such counsel shall be at the Consulting Party's expense unless employment of such other counsel has been authorized by the Corporation, in which event, the fees and disbursements of such counsel shall be paid by the Corporation.

4.5 No Presumption as to Absence of Good Faith

Unless a court of competent jurisdiction otherwise has held or decided that the Consulting Party is not entitled to be fully or partially indemnified under this Agreement, the determination of any

Claim by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create any presumption for the purposes of this Agreement that the Consulting Party is not entitled to indemnity under this Agreement.

4.6 Settlement of Claim

No admission of liability and no settlement of any Claim in a manner adverse to the Consulting Party shall be made without the consent of the Consulting Party, acting reasonably. No admission of liability shall be made by the Consulting Party without the consent of the Corporation and the Corporation shall not be liable for any settlement of any Claim made without its consent.

4.7 Determination of Right to Indemnification

If the payment of an indemnity or the advancement of funds under this Agreement requires the approval of a court either the Corporation or the Consulting Party may apply to a court of competent jurisdiction for an order approving such indemnity or the advancement of such funds by the Corporation pursuant to this Agreement.

ARTICLE 5 MISCELLANEOUS MATTERS

5.1 Corporation and Consulting Party to Cooperate

The Corporation and the Consulting Party shall, from time to time, provide such information and cooperate with the other, as the other may reasonably request, in respect of all matters under this Agreement.

5.2 Insolvency

The liability of the Corporation under this Agreement shall not be affected, discharged, impaired, mitigated or released by reason of the discharge or release of the Consulting Party in any bankruptcy, insolvency, receivership or other similar proceeding of creditors, including, without limitation, the Proceedings and the implementation of the Reorganization Plan.

5.3 Multiple Proceedings

No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto shall be a bar or defence to any further action or proceeding which may be brought under this Agreement.

ARTICLE 6 GENERAL

6.1 Assignment

Neither Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the other Party.

6.2 Enurement

This Agreement enures to the benefit of and is binding upon the Parties and the heirs, attorneys, guardians, estate trustees, executors, trustees, administrators and permitted assigns of the Consulting Party and the successors (including any successor by reason of amalgamation) and permitted assigns of the Corporation.

6.3 Amendments

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, is binding unless executed in writing by the Party to be so bound. For greater certainty, the rights of the Consulting Party under this Agreement shall not be prejudiced or impaired by permitting or consenting to any assignment in bankruptcy, receivership, insolvency or any other creditor's proceedings of or against the Corporation or by the winding-up or dissolution of the Corporation.

6.4 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

- (a) in the case of a Notice to the Consulting Parties, in accordance with the information set out on Schedule "A" hereto; and
- (b) in the case of a Notice to the Corporation at:

Quebecor World Inc.,
999 Boulevard de Maisonneuve West
Suite 1100
Montreal, Quebec
H3A 3L4

Attention: ●
Fax: ●
E-mail: ●

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day. Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with the provisions of this Section.

6.5 Further Assurances

The Corporation and the Consulting Party shall, with reasonable diligence, do all things and execute and deliver all such further documents or instruments as may be necessary or desirable for the purpose of assuring and conferring on the Consulting Party the rights created or intended

by this Agreement and giving effect to and carrying out intention or facilitating the performance of the terms of this Agreement, or evidencing any loan or advance made pursuant to Section 4.1(f) hereof.

6.6 Independent Legal Advice

The Consulting Party acknowledges that the Consulting Party has been advised to obtain independent legal advice with respect to entering into this Agreement, that the Consulting Party has obtained such independent legal advice or has expressly determined not to seek such advice, and that the Consulting Party is entering into this Agreement with full knowledge of the contents hereof, of the Consulting Party's own free will and with full capacity and authority to do so.

6.7 Execution and Delivery

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile and all such counterparts and facsimiles together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

QUEBECOR WORLD INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SIGNED, SEALED & DELIVERED
In the presence of:

Witness

Mark Angelson

SIGNED, SEALED & DELIVERED
In the presence of:

Witness

Michael Allen

SIGNED, SEALED & DELIVERED
In the presence of:

Witness

Raymond J. Bromark

SIGNED, SEALED & DELIVERED
In the presence of:

Witness

James J. Gaffney

SIGNED, SEALED & DELIVERED

In the presence of:

Witness

Jack Kliger

SIGNED, SEALED & DELIVERED

In the presence of:

Witness

David L. McAusland

SIGNED, SEALED & DELIVERED

In the presence of:

Witness

Thomas O. Ryder

SIGNED, SEALED & DELIVERED

In the presence of:

Witness

Gabriel de Alba

SCHEDULE A
Consulting Parties

Name	Address	Email Address	Facsimile
Mark Angelson	●	●	●
Michael Allen	●	●	●
Raymond J. Bromark	●	●	●
James J. Gaffney	●	●	●
Jack Kliger	●	●	●
David L. McAusland	●	●	●
Thomas O. Ryder	●	●	●
Gabriel de Alba	●	●	●

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Chapter 15

SemCanada Crude Company, *et al.*,

Case No. 09-12637 (BLS)

Applicants in Foreign Proceedings.

Jointly Administered

**ORDER GRANTING RECOGNITION, ENFORCEMENT OF CANADIAN MEETINGS
ORDER AND RELATED RELIEF**

This matter was brought before the Court by Ernst & Young Inc., the court-appointed monitor (the "**Monitor**") and authorized foreign representative of SemCanada Crude Company, SemCAMS ULC and SemCanada Energy Company and certain of its subsidiaries, including A.E. Sharp Ltd. and CEG Energy Options, Inc. (together the "**SemCanada Group**") in proceedings (the "**Canadian Proceedings**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pending before the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Calgary Court**").

This Court has reviewed the Verified Petitions For Recognition of Foreign Proceedings which were filed on July 24, 2009 for each member of the SemCanada Group (collectively, the "**Chapter 15 Petitions**") commencing the above-captioned chapter 15 cases (collectively, the "**Chapter 15 Cases**") pursuant to sections 1504, 1515 and 1517 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), and seeking enforcement pursuant to sections 1507, 1521(a) and 105(a) of the Bankruptcy Code of the Canadian Creditors' Meetings Order of the Calgary Court (the "**Canadian Meetings Order**").

Due and timely notice of the filing of the Chapter 15 Petitions was given in accordance with this Court's order dated July 28, 2008, approving the form of notice and manner of service thereof, which notice is deemed adequate for all purposes such that no other or further notice thereof need be given. Based upon the Affidavit of Service of Paige Norfolk sworn to August 12, 2009, sufficient notice of the Chapter 15 Petitions has been given. The Monitor also filed notice of the Canadian Meetings Order on August 7, 2009 (docket no. 14 and annexed here as Exhibit 1) and served a copy of the notice on parties in interest as reflected in the Affidavit of Jennifer Parisi sworn to on August 11, 2009 (docket no. 15). No objections to the Chapter 15 Petitions or any of the relief sought thereby have been filed with the Court.

Therefore, after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and section 1501 of the Bankruptcy Code.

(B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

(C) Venue is proper in this District pursuant to 28 U.S.C. §§ 1410(3).

(D) The Monitor is a person within the meaning of section 101(41) of the Bankruptcy Code and is the duly appointed foreign representative of each member of the SemCanada Group within the meaning of section 101(24) of the Bankruptcy Code.

(E) The Chapter 15 Cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code.

(F) The Chapter 15 Petitions meet the requirements of section 1515 of the Bankruptcy Code.

(G) The Canadian Proceedings are foreign proceedings within the meaning of section 101(23) of the Bankruptcy Code.

(H) The Canadian Proceedings are entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

(I) The Canadian Proceedings are pending in Canada, which is the location of each member of the SemCanada Group's center of main interests, and as such, constitute foreign main proceedings pursuant to section 1502(4) of the Bankruptcy Code and are

entitled to recognition as foreign main proceedings pursuant to section 1517(b)(1) of the Bankruptcy Code.

(J) The Monitor is entitled to all the relief provided by section 1520 of the Bankruptcy Code without limitation.

(K) The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to section 1521 of the Bankruptcy Code, and will not cause any hardship to any party in interest that is not outweighed by the benefits of granting that relief.

(L) The interest of the public will be served by this Court granting the relief requested by the Monitor.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceedings are hereby recognized as foreign main proceedings pursuant to section 1517 of the Bankruptcy Code.

2. All provisions of section 1520 of the Bankruptcy Code apply in these Chapter 15 Cases, including, without limitation, the stay under section 362 of the Bankruptcy Code throughout the duration of these Chapter 15 Cases or until otherwise ordered by this Court.

3. The Canadian Meetings Order (as may be amended by the Calgary Court without objection from the Monitor, including any changes to the dates of the meetings of Canadian creditors and the Calgary Court's sanction hearing) is hereby given full force and effect in the United States and is binding on all persons subject to this court's jurisdiction pursuant to sections 1521(a)(7), 1507 and 105(a) of the Bankruptcy Code.

4. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Exhibit 1

I hereby certify this to be a true copy of
the original Order
Dated this 7th day of August, 2009
for Clerk of the Court

Action No. 0801-08510

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY, SEMCAMS ULC, SEMCANADA ENERGY
COMPANY, A.E. SHARP LTD., CEG ENERGY OPTIONS, INC. and 1380331
ALBERTA ULC

APPLICANTS

BEFORE THE HONOURABLE	)	AT THE CALGARY COURTS CENTRE
JUSTICE B.E.C. ROMAINE	)	IN THE CITY OF CALGARY IN THE
IN CHAMBERS	)	PROVINCE OF ALBERTA ON THE
	)	<u>7</u> DAY OF AUGUST, 2009

CANADIAN CREDITORS' MEETINGS ORDER

UPON the application of SemCAMS ULC ("SemCAMS"), SemCanada Crude Company ("SemCanada Crude"), SemCanada Energy Company ("SemCanada Energy"), A.E. Sharp Ltd. ("AES") and CEG Energy Options, Inc. ("CEG" and together with SemCAMS, SemCanada Crude, SemCanada Energy and AES, the "Companies") for an order (a) accepting the filing of a Plan of Arrangement and Reorganization concerning, affecting and involving SemCAMS, as such plan may be amended, varied or supplemented by SemCAMS from time to time in accordance with the terms thereof and this Canadian Creditors' Meetings Order (the "CAMS Plan"); (b) accepting the filing of a Plan of Arrangement and Reorganization concerning, affecting and involving SemCanada Crude, as such plan may be amended, varied or supplemented by SemCanada Crude from time to time in accordance with the terms thereof and this Canadian Creditors' Meetings Order (the "Crude Plan"); (c) accepting the filing of a Consolidated Plan of Distribution concerning, affecting and involving SemCanada Energy, AES and CEG (collectively, the "SemCanada Energy Companies") as such plan may be amended, varied or supplemented by the SemCanada Energy Companies from time to time in accordance

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with the terms thereof and this Canadian Creditors' Meetings Order (the "Energy Distribution Plan" and together with the CAMS Plan and the Crude Plan, the "CCAA Plans"); (d) authorizing SemCAMS, SemCanada Crude and the SemCanada Energy Companies to each establish one class of Affected Creditors in their respective CCAA Plans for the purposes of considering and voting on such CCAA Plans; (e) authorizing SemCAMS, SemCanada Crude and the SemCanada Energy Companies to each call, hold and conduct a meeting of certain of their respective unsecured creditors (the "CAMS Creditors' Meeting", the "Crude Creditors' Meeting" and the "Energy Creditors' Meeting", respectively, and collectively, the "Canadian Creditors' Meetings") to consider and vote on a resolution to approve the CAMS Plan, the Crude Plan and the Energy Distribution Plan, as the case may be; and (f) approving the procedures to be followed with respect to the calling and conduct of the Canadian Creditors' Meetings; **AND UPON** having read (i) the Notice of Motion, filed; (ii) the affidavit of Darren Marine sworn July 24, 2009 in respect of SemCAMS, filed; (iii) the affidavit of Brent Brown sworn July 24, 2009 in respect of SemCanada Crude, filed; (iv) the affidavit of Terrence Ronan sworn July 27, 2009 in respect of the SemCanada Energy Companies, filed; (v) the Twentieth Report of the court-appointed monitor, Ernst & Young Inc. (the "Monitor") dated July 30, 2009 in respect of, *inter alia*, the CCAA Plans, filed (the "Monitor's 20th Report"); (vi) the US Disclosure Statement, including the US Plan appended thereto (as such capitalized terms are defined herein) and (vii) such further material in the pleadings and proceedings as was deemed necessary; **AND UPON** hearing counsel for the Companies, the Monitor and counsel present for other interested parties; **AND UPON** being satisfied that the Companies have acted and continue to act in good faith and with due diligence and that the circumstances exist that make this Canadian Creditors' Meetings Order appropriate; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. There has been good and sufficient service and notice of this Application and the time for service of this Application and materials in support thereof be and is hereby abridged, if necessary, so that this Application is properly returnable today and any further service of this Application upon any interested party is hereby dispensed with.

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INTERPRETATION AND DEFINITIONS

2. The interpretation provisions set out hereto in Schedule "A" shall apply to this Canadian Creditors' Meetings Order. Unless otherwise defined herein or in Schedule "A" attached hereto, (a) capitalized terms used herein in reference to SemCAMS shall have the meanings ascribed to them in the CAMS Plan, (b) capitalized terms used herein in reference to SemCanada Crude shall have the meanings ascribed to them in the Crude Plan and (c) capitalized terms used herein in reference to the SemCanada Energy Companies shall have the meanings ascribed to them in the Energy Distribution Plan.

THE CCAA PLANS

3. The CAMS Plan, the Crude Plan and the Energy Distribution Plan are each hereby accepted for filing, and the Companies are each hereby authorized to seek approval from their respective Affected Creditors of the CAMS Plan, the Crude Plan and the Energy Distribution Plan, as the case may be, in the manner set forth herein.
4. Subject to the prior consent of B of A, acting reasonably, each of the Companies may at any time and from time to time prior to their respective Canadian Creditors' Meetings amend, restate, modify and/or supplement their respective CCAA Plans provided that (i) any such amendment, restatement, modification or supplement is contained in a written instrument filed with this Honourable Court and (ii) notice is provided to all of the applicable Company's Affected Creditors in the manner required by this Honourable Court (if so required).
- 4A. The definition of "Secured Claim" in Section 1.1 of the Energy Distribution Plan is replaced with the following:

"Secured Claim" means any Claim or portion thereof, which is secured by a validly attached and existing security interest on the Property and which was duly and properly perfected at the Filing Date and has priority over the Secured Lenders' Security, up to the realizable value of such property, or any proprietary Claim which has priority over the Secured Lenders' Security, in each case, as finally determined in accordance with the Claims Process;
- 4B. Section 3.3(b) of the Energy Distribution Plan is replaced with the following:

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subject to Section 5.7 hereof, be deemed to have a Voting Claim in the amount of the Lenders' Total Claim less \$108,000,000, unless otherwise ordered by the Alberta Court pursuant to paragraph 35A of the Meeting Order;

- 4C. Section 3.3(b) of the Crude Plan is replaced with the following:

subject to Section 5.7 hereof, be deemed to have a Voting Claim in the amount of the Lenders' Total Claim less \$145,000,000, unless otherwise ordered by the Alberta Court pursuant to paragraph 35A of the Meeting Order;

5. Subject to the prior consent of B of A, acting reasonably, each of the Companies may at any time and from time to time following their respective Canadian Creditors' Meetings amend, restate, modify and/or supplement their respective CCAA Plans provided that (i) any such amendment, restatement, modification or supplement is contained in a written instrument filed with this Honourable Court and (ii) such amendments, restatements, modifications and/or supplements are approved by this Honourable Court following notice to all of the applicable Company's Affected Creditors.
6. Any amendment, restatement, modification or supplement may be made by the Companies with the consent of the Monitor and B of A, acting reasonably, and pursuant to an order of this Honourable Court following the applicable Company's Plan Sanction Date, provided that it concerns a matter which, in the opinion of the applicable Company, acting reasonably, is of an administrative nature required to better give effect to the implementation of the applicable CCAA Plan and the Plan Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the applicable Company's Affected Creditors.
7. Any amended, restated, modified or supplementary plan or plans of arrangement and reorganization or distribution filed with this Honourable Court and, if required, approved by this Honourable Court with the prior consent of B of A, acting reasonably, shall, for all purposes, be and be deemed to be a part of and incorporated in the applicable CCAA Plan.

FORMS OF DOCUMENTS

8. The Notice to Ordinary Creditors substantially in the form attached hereto as Schedule "B", the Instructions to Ordinary Creditors substantially in the form attached hereto as

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Schedule "C" and the Ordinary Creditors' Proxy substantially in the form attached hereto as Schedule "D" are each hereby approved, and each of the Companies are hereby authorized and directed to make such changes thereto as they consider necessary or desirable to conform the content thereof to the terms of their respective CCAA Plans or this Canadian Creditors' Meetings Order or to describe their respective CCAA Plans.

RECORD DATE AND NOTEHOLDER IDENTIFICATION PROCESS

9. The Noteholder identification process adopted in the US Proceedings to identify which of the Companies' Noteholder Creditors are entitled to vote on the US Plan (the "**US Noteholder Identification Process**"), as described in the Monitor's 20th Report, is hereby approved and adopted as the Noteholder identification process that will be used by the Companies and the Monitor to determine the number and value of votes the Noteholder Creditors are entitled to with respect to the resolutions to approve the CCAA Plans.
10. The Voting Record Date for determining which of the Companies' Noteholder Creditors (a) are entitled to vote on the US Plan and (b) shall be deemed to vote on the resolutions to approve the CCAA Plans in accordance with paragraph 34 herein and the CCAA Plans is July 22, 2009. The record date set by this Honourable Court pursuant to the order of the Honourable Madam Justice B.E.C. Romaine dated December 17, 2009 shall be amended accordingly.

NOTICE TO AFFECTED CREDITORS

11. With respect to each Company, the Monitor shall send by regular pre-paid mail the applicable Meeting Materials:
 - (a) to each Ordinary Creditor of the applicable Company that has a Proven Claim or a Disputed Claim on or before August 12, 2009 to the address provided by each such Ordinary Creditor in its Proof of Claim or to such other address subsequently provided to the Monitor by any such Ordinary Creditor; and
 - (b) to any Person claiming to be an Ordinary Creditor of the applicable Company within three (3) Court Days of receipt of a request from such Person to the address provided by such Person to the Monitor.

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12. With respect to each Company, on or before August 12, 2009, the Monitor shall send by courier service a copy of the applicable Meeting Materials for Secured Lenders to B of A, for itself and on behalf of the Secured Lenders, to the Toronto address of B of A's Canadian counsel, Stikeman Elliott LLP, or such other address subsequently provided to the Monitor by B of A.
13. With respect to each Company, commencing on or before August 14, 2009, the Monitor shall cause the Notice to Ordinary Creditors, substantially in the form attached hereto as Schedule "B", to be published on two (2) separate Court Days in each of the *Globe and Mail* (National Edition), the *Edmonton Journal* and the *Calgary Herald*.
14. With respect to each Company, electronic copies of the applicable Notice to Ordinary Creditors, the Meeting Materials and the Meeting Materials for Secured Lenders, including any amendments and variations thereto, shall be posted on the Website until the Court Day following the Plan Implementation Date.
15. With respect to each Company, the publication of the Notice to Ordinary Creditors; the notice in the US Disclosure Statement to the Secured Lenders and the Companies' Noteholder Creditors of the Canadian Creditors' Meetings, the CCAA Plans and the CCAA Sanction Motions; the mailing to Ordinary Creditors of the Meeting Materials in accordance with the requirements of this Canadian Creditors' Meetings Order and the mailing to Secured Lenders of the Meeting Materials for Secured Lenders in accordance with the requirements of this Canadian Creditors' Meetings Order shall constitute good and sufficient service, notice and delivery of this Canadian Creditors' Meetings Order and the other documents referred to in this Canadian Creditors' Meetings Order on all Persons, including the Secured Lenders and the Companies' Noteholder Creditors, who may be entitled to receive notice of or be deemed to vote at or be present at or vote in person or by proxy at the Canadian Creditors' Meetings or any adjournment thereof and no other notice or service need be given or made and no other document or material need be served except as required and in accordance with this Canadian Creditors' Meetings Order. Service and notice shall be effective, in the case of mailing, on the third Court Day after the date of mailing, in the case of service by courier, on the day after the courier package was sent and, in the case of service by fax or email, on the day the fax or

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email was transmitted, unless such day is not a Court Day, or the fax or email transmission was made after 5:00 p.m., in which case, on the next Court Day.

16. The Meeting Materials shall not be sent to the Companies' Noteholder Creditors or to the Secured Lenders. The Secured Lenders and the Companies' Noteholder Creditors shall receive notice of the Canadian Creditors' Meetings, the CCAA Plans and the CCAA Sanction Motions in the US Disclosure Statement, which notice shall be deemed to be sufficient notice to the Secured Lenders and the Companies' Noteholder Creditors with respect to the CCAA Plans, the Canadian Creditors' Meetings and the CCAA Sanction Motions.

DELIVERY OF PROXIES TO THE MONITOR

17. With respect to each Company, any Ordinary Creditors' Proxy in respect of the Canadian Creditors' Meetings (or any adjournment thereof) shall be provided to the Monitor on or before 5:00 p.m. on the Court Day immediately prior to the day on which the Canadian Creditors' Meetings (or any adjournment thereof) are to be held, provided that any Ordinary Creditors' Proxy may also be deposited with the Chair at the Canadian Creditors' Meetings (or any adjournment thereof) prior to the commencement of the applicable Canadian Creditors' Meeting.
18. Each of the Companies may in their respective discretion waive in writing the time limits imposed on their respective Ordinary Creditors as set out in this Canadian Creditors' Meetings Order and the Instructions to Ordinary Creditors for the deposit of proxies and all other procedural matters if the applicable Company deems it advisable to do so (without prejudice to the requirement that all of the applicable Company's other Ordinary Creditors must comply with this Canadian Creditors' Meetings Order and the other procedures set out in the applicable Instructions to Ordinary Creditors).

CONDUCT AT THE CANADIAN CREDITORS' MEETINGS

19. With respect to each of the Companies, for the purposes of voting to approve the CCAA Plans (a) there shall be one class of Affected Creditors established in the applicable CCAA Plan, the "Affected Creditors' Class", comprised of the Secured Lenders, the Noteholder Creditors and the Ordinary Creditors, and (b) the value of the Voting Claims

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of each of the Company's Creditors shall be as established in accordance with the provisions of this Canadian Creditors' Meetings Order, the Claims Process Order, the CCAA Plans and any further order of this Honourable Court.

20. Each of the Companies are hereby authorized to call, hold and conduct the Canadian Creditors' Meetings on the date and at the times and location set out hereto in Schedule "E" for the purpose of considering, and if deemed advisable by the Ordinary Creditors, voting in favour of, with or without variation, resolutions to approve the CCAA Plans.
21. The Canadian Creditors' Meetings shall each be called, held and conducted, and the CCAA Plans shall each be voted upon and, if approved by the applicable Company's Affected Creditors, ratified and given full force and effect, in accordance with the provisions of this Canadian Creditors' Meetings Order, the Claims Process, the CCAA Plans, the CCAA and any further order of this Honourable Court, notwithstanding the provisions of any agreement or other instrument to the contrary.
22. An officer of the Monitor, designated by the Monitor, shall preside as the chair (the "Chair") of each of the Canadian Creditors' Meetings and, subject to this Canadian Creditors' Meetings Order and any further order of this Honourable Court, shall decide all matters relating to the conduct at the Canadian Creditors' Meetings.
23. In each of the Canadian Creditors' Meetings, the Chair shall direct a vote with respect to a resolution to approve the applicable CCAA Plan and any amendments thereto as the applicable Company may consider appropriate.
24. In each of the Canadian Creditors' Meetings, the Chair is hereby authorized to accept and rely upon proxies substantially in the form attached hereto as Schedule "D", or such other form as is acceptable to the Chair.
25. The quorum required at each of the Canadian Creditors' Meetings shall be one (1) Ordinary Creditor present in person or by proxy.
26. The Monitor shall appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at each of the Canadian Creditors' Meetings. A person

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designated by the Monitor shall act as secretary at each of the Canadian Creditors' Meetings.

27. If (a) the requisite quorum is not present at a Canadian Creditors' Meeting, or (b) a Canadian Creditors' Meeting is postponed by the vote of the majority in number of the applicable Ordinary Creditors present in person or by proxy, then such Canadian Creditors' Meeting shall be adjourned by the Chair to a later date, time and place designated by the Chair.
28. The Chair shall be entitled to adjourn and further adjourn the Canadian Creditors' Meetings at the Canadian Creditors' Meetings or any adjourned Canadian Creditors' Meetings provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the applicable Company shall not be required to deliver any notice of adjournment of the applicable Canadian Creditors' Meeting or adjourned Canadian Creditors' Meeting other than announcing the adjournment at the Canadian Creditors' Meeting or posting notice at the originally designated time and location of the Canadian Creditors' Meeting or adjourned Canadian Creditors' Meeting.
29. With respect to each of the Companies, the only Persons entitled to attend the applicable Canadian Creditors' Meetings are the Monitor; those Persons, including the holders of proxies, entitled to vote at the applicable Canadian Creditors' Meetings, their legal counsel and advisors; the other Applicants; the directors, officers and legal counsel of the applicable Company and of the other Applicants; B of A and its legal counsel and financial advisors; the Noteholder Trustee and its legal counsel; legal counsel to the unsecured creditors' committee appointed in the US Proceedings; and any Persons appointed as scrutineers for the Canadian Creditors' Meetings. Any other person may be admitted to a Canadian Creditors' Meeting on invitation of the Chair.

VOTING PROCEDURE

30. Subject to paragraph 34 herein, at each of the Canadian Creditors' Meetings, the Chair shall direct a vote, by written ballot, on a resolution to approve the applicable CCAA

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Plan and any amendments thereto as the Monitor and the applicable Company may consider appropriate.

31. With respect to each Company, the only Persons entitled to vote at the Canadian Creditors' Meetings, in person or by proxy, are:
 - (a) Ordinary Creditors with Proven Claims; and
 - (b) Ordinary Creditors with Disputed Claims on the date that is five (5) Court Days prior to the date of the applicable Canadian Creditors' Meeting, subject to paragraph 37 herein and without prejudice to the rights of the applicable Company to dispute such Disputed Claim for distribution purposes under the applicable CCAA Plan.
32. With respect to each Company, if an Ordinary Creditor transfers or assigns the whole of its Claim prior to the applicable Canadian Creditors' Meeting and the transferee delivers to the applicable Company and the Monitor actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, by no later than 5:00 p.m. on the day that is ten (10) Court Days prior to the date of the applicable Canadian Creditors' Meeting, such transferee shall be entitled to attend and vote such Ordinary Creditors' Claim at the applicable Canadian Creditors' Meeting, either in person or by proxy, if and to the extent such Claim may otherwise be voted at the applicable Canadian Creditors' Meeting and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. The Companies shall not recognize partial assignments or transfers of Claims.
33. Subject to paragraphs 34 and 35 herein, with respect to each Company, Creditors with Unaffected Claims or Unaffected Plan Closing Claims, the Secured Lenders, the Noteholder Creditors, the other Applicants and the US Debtors shall not be entitled to vote at the Canadian Creditors' Meetings.
34. With respect to each of the Companies and each of the Canadian Creditors' Meetings, the votes of the Noteholder Creditors and the Secured Lenders entitled to vote for or against the US Plan shall be deemed to be votes of the Noteholder Creditors and the Secured Lenders, as the case may be, in respect of the CCAA Plans.

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35. With respect to each of the Companies and in accordance with the terms of the Companies' respective CCAA Plans, each of the applicable Company's Affected Creditors entitled to vote on the applicable CCAA Plan is entitled to one vote, which vote shall:
- (a) for Ordinary Creditors with Proven Claims, have a Voting Claim equivalent to the value of such Ordinary Creditors' Proven Claim;
 - (b) for Ordinary Creditors with Disputed Claims and to whom the Monitor has delivered a Notice of Revision or Disallowance and which revision or disallowance remains in dispute or under appeal in accordance with the Claims Process Order, have a Voting Claim equivalent to the value of the revised Claim as accepted by the Monitor pursuant to the Notice of Revision or Disallowance for voting purposes provided that the applicable Company reserves the right to dispute such Ordinary Creditor's Disputed Claim for distribution purposes under the applicable CCAA Plan;
 - (c) for those Ordinary Creditors with Disputed Claims and to whom the Monitor has not yet delivered a Notice of Revision or Disallowance, have a Voting Claim equivalent to the value of the amount of such Ordinary Creditors' Proof of Claim for voting purposes, provided that the applicable Company reserves the right to dispute such Ordinary Creditor's Disputed Claim for distribution purposes under the applicable CCAA Plan;
 - (d) for all Noteholder Creditors and for the Secured Lenders of SemCAMS that are entitled to vote on the US Plan in accordance with the US Proceedings, have a Voting Claim equivalent to each such Noteholder Creditor's or Secured Lender's proportionate share of the value of the proven claims of such Noteholder Creditors and Secured Lenders against the US Debtors that are recognized for the purpose of the US Plan in accordance with the process to determine such Noteholder Creditors' and Secured Lenders' respective voting claims in the US Proceedings and under the US Plan after such voting claims have been converted to Canadian Dollars in accordance with the applicable CCAA Plan; and

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- (e) Subject to paragraph 35A of this Order, for the Secured Lenders of SemCanada Crude and the SemCanada Energy Companies that are entitled to vote on the US Plan in accordance with the US Proceedings, have a Voting Claim equivalent to each such Secured Lender's proportionate share of the value of the Lenders' Total Claim that has been proven against the US Debtors for the purpose of the US Plan in accordance with the process to determine such Secured Lenders' voting claims in the US Proceedings and under the US Plan after such voting claims have been converted to Canadian Dollars in accordance with the applicable CCAA Plans less (i) the proportionate share of \$145,000,000 for each Secured Lender of SemCanada Crude and (ii) the proportionate share of \$108,000,000 for each Secured Lender of the SemCanada Energy Companies.

35A. If approval or non-approval of a CCAA Plan by the Affected Creditors shall prove to be determined by the portion of the Voting Claims of the Secured Lenders that is in excess of their estimated aggregate deficiency after taking into account the consideration they are to receive under the US Plan and the CCAA Plans (the "**Estimated Aggregate Deficiency**"), which is currently estimated to be approximately US \$1,070,000,000: (i) this Honourable Court shall determine whether in the circumstances the Voting Claim of each of the Secured Lenders shall (instead of the value calculated in accordance with paragraph 35(e)) be its proportionate share of the Estimated Aggregate Deficiency converted to Canadian dollars in accordance with the applicable CCAA Plans; and (ii) the applicable Company and the Monitor shall, on notice to the service list in these proceedings (the "**Service List**"), request from this Honourable Court directions and if necessary, an appropriate deferral of the motion for the applicable Company's Plan Sanction Order and any other applicable dates.

36. The Companies and the Monitor shall be entitled to rely on the information provided by the US Debtors to determine the:

- (a) the number of votes the Noteholder Creditors are entitled to in respect of the US Plan that are deemed to be votes in favour of or against the resolutions to approve the CCAA Plans pursuant to paragraph 34 herein and the value attributed to each such vote in accordance with paragraph 35 herein; and

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- (b) the number of votes the Secured Lenders are entitled to in respect of the US Plan that are deemed to be votes in favour of or against the resolutions to approve the CCAA Plans pursuant to paragraph 34 herein and the value attributed to each such vote in accordance with paragraph 35 herein.
37. With respect to each Company, Ordinary Creditors with Disputed Claims, including Ordinary Creditors with Subsequent Claims that are filed pursuant to the Claims Process Order within ten (10) Court Days of the applicable Canadian Creditors' Meeting which have not been finally resolved in accordance with the Claims Process Order and Claims of the Secured Creditors but only with respect to and solely to the extent that such Claims are not yet determined to be valid Secured Claims in accordance with the Claims Process Order, shall have their voting intentions with respect to such amounts recorded by the Monitor and reported to this Honourable Court in accordance with paragraph 39 herein. If approval or non-approval of a CCAA Plan by the applicable Affected Creditors shall prove to be determined by the votes cast in respect of Disputed Claims, such Subsequent Claims or such Claims of Secured Creditors, the applicable Company and the Monitor, on notice to the Service List, shall request this Honourable Court for directions and if necessary, an appropriate deferral of the motion for the applicable Company's Plan Sanction Order and any other applicable dates.
38. Subject to paragraph 35A, the results of the vote conducted at the Canadian Creditors' Meetings and the results of the votes of the Secured Lenders and the Noteholder Creditors in the US Proceedings in respect of the US Plan shall be binding on all of the Companies' Affected Creditors, whether or not any such Affected Creditor is present in person or by proxy or voting at the applicable Canadian Creditors' Meeting or, in respect of the Secured Lenders and the Noteholder Creditors, are voting on the US Plan.

COURT SANCTIONING OF PLAN

39. In respect of each of the Companies, the Monitor shall provide a report to this Honourable Court no later than two (2) Court Days after the Canadian Creditors' Meetings (the "Monitor's Report Regarding the Canadian Creditors' Meetings") with respect to:

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- (a) the results of the votes of the Secured Lenders and the Noteholder Creditors in the US Proceedings in respect of the US Plan;
 - (b) the results of the voting at the Canadian Creditors' Meetings on the resolutions to approve the CCAA Plans;
 - (c) whether the required majority of each of the Companies' Affected Creditors (as set out in the CCAA Plans) has approved each of the CCAA Plans;
 - (d) the effect on the results of the voting had all of the Ordinary Creditors with Disputed Claims, including Ordinary Creditors with Subsequent Claims that are filed pursuant to the Claims Process Order within ten (10) Court Days of the applicable Canadian Creditors' Meeting which have not been finally resolved in accordance with the Claims Process Order and Claims of the Secured Creditors but only with respect to and solely to the extent that such Claims are not yet determined to be valid Secured Claims in accordance with the Claims Process Order, also voted the full amount of their Disputed Claims, such Subsequent Claims or such Claims of Secured Creditors; and
 - (e) the effect on the results of the voting had the Voting Claims of the Secured Lenders been limited to the Estimated Aggregate Deficiency.
40. An electronic copy of the Monitor's Report Regarding the Canadian Creditors' Meetings, including any amendments and variations thereto, and draft sanction orders in respect of each of the CCAA Plans shall be posted on the Website prior to the CCAA Sanction Motions (as defined herein).
41. If the CCAA Plans are approved by the required majority of the Companies' Affected Creditors (as set out in the CCAA Plans), the Companies may bring a motion to this Honourable Court on September 16, 2009, or such other date as is set by this Honourable Court upon motion by the Companies, seeking separate orders sanctioning each of the CCAA Plans pursuant to the CCAA (the "CCAA Sanction Motions").
42. Service of this Canadian Creditors' Meetings Order by the Monitor to the parties on the service list, service of this Canadian Creditors' Meetings Order in accordance with

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paragraphs 11 and 12 hereof, the notice to the Secured Lenders and the Companies' Noteholder Creditors of the Canadian Creditors' Meetings, the CCAA Plans and the CCAA Sanction Motions in the US Disclosure Statement, the publication of the Notice to Ordinary Creditors in accordance with paragraph 13 hereof, the mailing to Ordinary Creditors of the Meeting Materials in accordance with the requirements of this Canadian Creditors' Meetings Order and the mailing to Secured Lenders of the Meeting Materials for Secured Lenders in accordance with the requirements of this Canadian Creditors' Meetings Order shall constitute good and sufficient service of notice of the CCAA Sanction Motions on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the CCAA Sanction Motions, except that the Company shall also serve the service list with any additional materials to be used in support of the CCAA Sanction Motions.

43. Any party who wishes to oppose any of the CCAA Sanction Motions shall serve on the service list a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the applicable CCAA Sanction Motion at least two (2) Court Days before the date set for the applicable CCAA Sanction Motion, or such shorter time as this Honourable Court, by order, may allow.
44. In the event the CCAA Sanction Motions are adjourned, only those Persons who have filed and served a Notice of Appearance shall be served with notice of the adjourned date.
45. Subject to any further order of this Honourable Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the CCAA Plans and this Canadian Creditors' Meetings Order, the terms, conditions and provisions of the CCAA Plans shall govern and be paramount, and any such provision in this Canadian Creditors' Meetings Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ASSISTANCE OF OTHER COURTS

46. This Honourable Court hereby requests the aid and recognition (including assistance pursuant to Section 17 of the CCAA, as applicable) of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament

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of Canada or the legislature of any province or territory or any court or any judicial, regulatory or administrative body of the United States, including the United States Bankruptcy Court for the District of Delaware, and of any other nation or state to act in aid of and to be complementary to this Honourable Court in carrying out the terms of this Canadian Creditors' Meetings Order.

"JUSTICE B.-E.-L. ROMAINE"
J.C.Q.B.A.

ENTERED THIS 7th
day of August, 2008
[Signature] COURT
CLERK OF THE COURT SEAL

SCHEDULE "A"

INTERPRETATION AND DEFINITIONS

INTERPRETATION

1. All references as to time herein shall mean local time in Calgary, Alberta, Canada, and any reference to an event occurring on a Court Day shall mean prior to 5:00 p.m. on such Court Day unless otherwise indicated herein.
2. All references to the word "including" shall mean "including without limitation".
3. References to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

DEFINITIONS

1. For the purposes of this Canadian Creditors' Meetings Order, the following terms shall have the following meanings ascribed to them:
 - (a) "B of A" means Bank of America, N.A. in its capacity as administrative agent and letter of credit issuer pursuant to the Secured Lenders Credit Agreement;
 - (b) "Court Day" means a day other than Saturday, Sunday or a statutory holiday, on which Courts in Calgary, Alberta are generally open;
 - (c) "CCAA Sanction Motions" shall have the meaning ascribed thereto in paragraph 41;
 - (d) "Chair" shall have the meaning ascribed thereto in paragraph 22;
 - (e) "Court" means the Court of Queen's Bench of Alberta;
 - (f) "Instructions to Ordinary Creditors" means the instructions to the Companies' Ordinary Creditors substantially in the form attached hereto as Schedule "C", together with such changes as may be made to it;
 - (g) "Meeting Materials" means, in respect of each Company, copies of:
 - (i) the Notice to Ordinary Creditors;

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- (ii) the CAMS Plan, the Crude Plan or the Energy Distribution Plan, as the case may be;
 - (iii) the Canadian Creditors' Meetings Order;
 - (iv) the Monitor's 20th Report;
 - (v) a blank form of the Ordinary Creditors' Proxy; and
 - (vi) the Instructions to Ordinary Creditors;
- (h) **"Meeting Materials for Secured Lenders"** means, in respect of each Company, copies of:
- (i) the Notice to Ordinary Creditors;
 - (ii) the CAMS Plan, the Crude Plan or the Energy Distribution Plan, as the case may be;
 - (iii) the Canadian Creditors' Meetings Order; and
 - (iv) the Monitor's 20th Report;
- (i) **"Monitor's Report Regarding the Canadian Creditors' Meetings"** shall have the meaning ascribed thereto in paragraph 39 herein;
- (j) **"Notice to Ordinary Creditors"** means the notice to Ordinary Creditors for publication in accordance with paragraph 13, which shall be substantially in the form attached hereto as Schedule "B";
- (k) **"Ordinary Creditors' Proxy"** means a proxy substantially in the form attached hereto as Schedule "D";
- (l) **"Person"** is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government authority or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

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- (m) **"Secured Lenders"** means any member of the syndicate of secured lenders under the Secured Lenders Credit Agreement or in their capacity as an individual claimant for any amount claimed to be secured by the Secured Lenders Credit Agreement, regardless of whether or not any such amount is ultimately secured under the Secured Lenders Credit Agreement;
- (n) **"Secured Lenders Credit Agreement"** means, collectively, the Amended and Restated Credit Agreement dated October 18, 2005 among SemCrude, L.P., as the US borrower, B of A, as the administrative agent and letter of credit issuer, and the guarantors (including SemCAMS, SemCanada Crude, SemCanada Energy, AES and CBG) and the other lender parties listed therein, as amended, modified and supplemented from time to time, and any of the documents and instruments related thereto;
- (o) **"US"** means the United States of America;
- (p) **"US Debtors"** means SemGroup, L.P. and certain of its direct and indirect subsidiaries and affiliates that filed petitions seeking protection under Chapter 11 of Title 11 of the United States Bankruptcy Code;
- (q) **"US Disclosure Statement"** means the Disclosure Statement for the Second Amended Joint Plan of Affiliated Debtors dated July 21, 2009 pursuant to Chapter 11 of the US Bankruptcy Code;
- (r) **"US Noteholder Identification Process"** shall have the meaning ascribed thereto in paragraph 9;
- (s) **"US Plan"** means the Second Amended Joint Plan of Affiliated Debtors dated July 21, 2009 pursuant to Chapter 11 of the US Bankruptcy Code in the US Proceedings (as the same may be amended, varied or supplemented from time to time);
- (t) **"US Proceedings"** means the proceedings commenced by the US Debtors by filing voluntary petitions seeking protection under Chapter 11 of Title 11 of the United States Bankruptcy Code;

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- (u) **"Voting Record Date"** shall have the meaning ascribed thereto in paragraph 10;
and
- (v) **"Website"** means the website of the Monitor at www.ey.com.ca/SemCanada.

SCHEDULE "B"

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY, SEMCAMS ULC, SEMCANADA ENERGY
COMPANY, A.E. SHARP LTD., CEG ENERGY OPTIONS, INC. and 1380331
ALBERTA ULC**

NOTICE TO ORDINARY CREDITORS OF _____ • _____

NOTICE IS HEREBY GIVEN that _____ • _____ (the "Company") has filed with the Alberta Court of Queen's Bench (the "Court") a plan of [arrangement and reorganization / distribution] dated July 24, 2009 (as amended from time to time, the "Plan") pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "CCAA").

The Plan contemplates the compromise of rights and claims of certain creditors of the Company (as defined in the Plan, "Affected Creditors"). Affected Claims (as that term is defined in the Plan) of Affected Creditors constitute one (1) class as established in the Plan, the "Affected Creditors Class".

NOTICE IS ALSO HEREBY GIVEN that a Meeting of the Ordinary Creditors (as that term is defined in the Plan) (the "Creditors' Meeting") will be held at the time and place and on the date set forth below for the purpose of considering and, if thought advisable by the Ordinary Creditors, voting in favour of, with or without variation, a resolution to approve the Plan and to transact such other business as may properly come before such Creditors' Meeting or any adjournment thereof. The Creditors' Meeting is being held pursuant to the Order of the Court made on August 9, 2009 by the Honourable Madam Justice B.E.C. Romaine (the "Canadian Creditors' Meetings Order").

DATE	TIME (MST)	LOCATION
September 10, 2009	•	Osler, Hoskin & Harcourt LLP, 2500, 450 -1 st Street SW, Calgary, AB T2P 5H1

The quorum for the Creditors' Meeting has been set by the Canadian Creditors' Meetings Order as the presence, in person or by proxy, at the Creditors' Meeting of one (1) Ordinary Creditor.

To become effective, in respect of the Affected Creditors' Class, the Plan must be approved by a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims (as defined in the Plan) of (a) the Ordinary Creditors who actually vote on the resolution approving the Plan (in person or by proxy) at the Creditors' Meeting, and (b) the Secured Lenders and the Noteholder Creditors (each as defined in the Plan) who actually

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vote on the US Plan (as defined in the Plan) by proxy in accordance with the US Proceedings (as defined in the Plan). The Plan must also be sanctioned by a final order of the Court under the CCAA.

NOTICE IS ALSO HEREBY GIVEN that such order will be sought in a motion to be brought by the Company within ten (10) days of the Creditors' Meeting, which date shall be posted on the website of the court-appointed Monitor as set out below. At that time the Company will also seek the other relief specified in the Plan. Subject to the satisfaction of the conditions to implementation of the Plan, all Affected Claims of Affected Creditors will then receive the treatment set out in the Plan unless otherwise ordered by the Court.

The value of each Affected Claim for voting purposes has or will be determined pursuant to the Canadian Creditors' Meetings Order, the Claims Process, the Plan, the CCAA and any further order of the Court. Secured Lenders and Noteholder Creditors will not vote (in person or by proxy) at the Creditors' Meeting.

Any Ordinary Creditor who is entitled to vote at the Creditors' Meeting but is unable to attend the Creditors' Meeting is requested to date, sign and return the enclosed form of proxy in the return envelope provided. In order to be used at the Creditors' Meeting, a proxy must be deposited with the Monitor, at the address below, at anytime prior to 5:00 p.m. on the last Business Day before the Creditors' Meeting, or with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

The Monitor's address for the purpose of filing forms of proxy and for obtaining any additional information or materials related to the Creditors' Meeting is:

Ernst & Young Inc.
Court-Appointed Monitor
1000, 440 - 2nd Avenue S.W.
Calgary AB T2P 5B9

Attention: Neil Narfason
Telephone: (403) 206-5067
Fax: (403) 206-5075

This notice is given by the Company pursuant to the Canadian Creditors' Meetings Order.

You can view copies of the documents relating to this process on the following website - www.ey.com.ca/SemCanada.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

DATED this ● day of August, 2009.

SCHEDULE "C"

•

(the "Company")

INSTRUCTIONS TO ORDINARY CREDITORS

August •, 2009

TO: ORDINARY CREDITORS OF THE COMPANY

Re: Meeting of the Ordinary Creditors of the Company to consider and vote on a resolution to approve the Company's Plan of [Arrangement and Reorganization / Distribution] pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "Plan")

We enclose in this package the following documents for your review and consideration:

1. Notice to Ordinary Creditors;
2. the Plan proposed by the Company;
3. the Monitor's Report regarding the Canadian Creditors' Meetings;
4. a copy of the Canadian Creditors' Meetings Order of the Alberta Court of Queen's Bench dated August •, 2009; and
5. a blank form of Ordinary Creditors' Proxy, completion instructions and a return envelope.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

The purpose of these materials is to provide you with the documents required to facilitate the determination and settlement of your Affected Claims, and to enable you to consider the Plan and vote to accept or reject the Plan at the Meeting of Ordinary Creditors to be held at • [a.m./p.m.] (MST) on September 10, 2009 at the offices of Osler, Hoskin & Harcourt LLP, 2500, 450-1st Street SW, Calgary, Alberta (the "Creditors' Meeting").

PROXY

If an Ordinary Creditor wishes to vote at the Creditors' Meeting and is not an individual or is an individual who will not be attending the Creditors' Meeting in person, please complete the enclosed Ordinary Creditors' Proxy and provide it to the Monitor, using the enclosed envelope, or by sending it to the Monitor by facsimile transmission, at the fax number noted below, so that it is received by the Monitor no later than 5:00 p.m. (MST) on September 9, 2009. You are required to provide the Ordinary Creditors' Proxy to the Monitor by this deadline or to the Chair prior to the commencement of the Creditors' Meeting if you wish to appoint a proxy to cast your vote at the Creditors' Meeting. However, your failure to vote at the Creditors' Meeting will not

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affect any right you have to receive any distribution that may be made to Affected Creditors under the Plan.

FURTHER INFORMATION

If you have any questions regarding the process or any of the enclosed forms, please contact Ernst & Young Inc. at the following address:

Ernst & Young Inc.
Court-Appointed Monitor
1000, 440 - 2nd Avenue S.W.
Calgary AB T2P 5E9

Attention: Neil Narfason
Telephone: (403) 206-5067
Fax: (403) 206-5075

You can view copies of documents relating to this process on the following website - www.ey.com.ca/SemCanada.

SCHEDULE "D"

Action No. 0801-08510

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY, SEMCAMS ULC, SEMCANADA ENERGY
COMPANY, A.E. SHARP LTD., CEG ENERGY OPTIONS, INC. and 1380331
ALBERTA ULC**

APPLICANTS

ORDINARY CREDITORS' PROXY

MEETING OF ORDINARY CREDITORS OF _____ ● _____

to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "Court")
in connection with _____ ● _____'s Plan of [Arrangement and Reorganization /
Distribution] under the *Companies' Creditors Arrangement Act* (Canada) (the "Plan")

on September 10, 2009 at ● [a.m./p.m.] (MST) in the offices of:

Osler, Hoskin & Harcourt LLP
2500, 450 -1st Street SW
Calgary, Alberta

and at any adjournment thereof.

*Before completing this Ordinary Creditors' Proxy, please read carefully the instructions
accompanying this Ordinary Creditors' Proxy for information respecting the proper completion
and return of this Ordinary Creditors' Proxy.*

**THIS ORDINARY CREDITORS' PROXY MUST BE COMPLETED AND SIGNED BY
THE ORDINARY CREDITOR AND PROVIDED TO THE MONITOR, ERNST &
YOUNG INC., BY 5:00 P.M. (MST) ON THE BUSINESS DAY PRIOR TO THE
MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE
MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH
ORDINARY CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON
THE PLAN OR IF SUCH ORDINARY CREDITOR WISHES TO APPOINT AN
OFFICER OF THE MONITOR TO ACT AS SUCH ORDINARY CREDITOR'S PROXY.**

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THE UNDERSIGNED ORDINARY CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints _____ or, if no person is named, Neil Narfason of Ernst & Young Inc., in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the undersigned Ordinary Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Ordinary Creditor at the Meeting of Ordinary Creditors of _____ to be held in connection with the Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Ordinary Creditor's Affected Claims for voting purposes as determined pursuant to the Canadian Creditors' Meetings Order, the Claims Process, the Plan, the CCAA and any further order of the Court as follows:

A. (mark one only):

- ☐ VOTE FOR approval of the Plan; or
- ☐ VOTE AGAINST approval of the Plan;

- and -

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Ordinary Creditor with respect to any amendments or variations to the Plan and to any other matters that may come before the Meeting of Ordinary Creditors of _____ or any adjournment thereof.

DATED this _____ day of _____, 2009.

Print Name of Ordinary Creditor

Signature of Ordinary Creditor. If the Ordinary Creditor is a corporation, signature of an authorized signing officer of the corporation.

Title of the authorized signing officer of the corporation, if applicable.

Mailing Address of the Ordinary Creditor

Phone Number of the Ordinary Creditor

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INSTRUCTIONS FOR COMPLETION OF PROXY

1. Noteholder Creditors and Secured Lenders are not entitled to vote at the Creditors' Meeting and as a consequence, should not complete a proxy.
2. Each Ordinary Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Ordinary Creditor) to attend, act and vote for and on behalf of such Ordinary Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the Ordinary Creditor will be deemed to have appointed Neil Narfason of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Ordinary Creditor's proxyholder.**
3. **If an officer of Ernst & Young Inc. is appointed or is deemed to be appointed as proxyholder and the Ordinary Creditor fails to indicate on this ordinary creditors' proxy a vote for or against approval of the Plan, this ordinary creditors' proxy will be voted FOR approval of the Plan.**
4. If this ordinary creditors' proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.
5. This ordinary creditors' proxy must be signed by the Ordinary Creditor or by the Ordinary Creditor's attorney duly authorized in writing or, if the Ordinary Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.
6. Valid proxies bearing or deemed to bear a later date will revoke this ordinary creditors' proxy. If more than one valid proxy for the same Ordinary Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.
7. **This ordinary creditors' proxy should be sent to the Monitor by facsimile at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on September 9, 2009.**

Ernst & Young Inc.
Court-Appointed Monitor
1000, 440 - 2nd Avenue S.W.
Calgary AB T2P 5E9

Attention: Neil Narfason
Telephone: (403) 206-5067
Fax: (403) 206-5075

SCHEDULE "E"

MEETING SCHEDULE

Applicant(s)	Date	Time (MST)	Place
SemCAMS ULC	September 10, 2009	10:00 a.m.	Osler, Hoskin & Harcourt LLP, 2500, 450 -1 st Street SW, Calgary, AB T2P 5H1
SemCanada Crude Company	September 10, 2009	11:30 a.m.	Osler, Hoskin & Harcourt LLP, 2500, 450 -1 st Street SW, Calgary, AB T2P 5H1
SemCanada Energy Company, A.E. Sharp Ltd. and CEG Energy Options, Inc.	September 10, 2009	1:00 p.m.	Osler, Hoskin & Harcourt LLP, 2500, 450 -1 st Street SW, Calgary, AB T2P 5H1

Action No, 0801-08510

**IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL CENTRE OF CALGARY**

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

**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
SEMCANADA CRUDE COMPANY,
SEMCAMS ULC, SEMCANADA ENERGY
COMPANY, A.E. SHARP LTD., CEG
ENERGY OPTIONS, INC. AND 1380331
ALBERTA ULC**

**CANADIAN CREDITORS' MEETINGS
ORDER**

OSLER, HOSKIN & HARCOURT LLP

Barristers & Solicitors
450 1st Street, S.W.
Suite 2500, TransCanada Tower
Calgary, Alberta T2P 5H1

A. Robert Anderson, Q.C. / Doug Schweitzer
Telephone: (403) 260-7004 / 7075
Facsimile: (403) 260-7024
File: 1114486



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

----- X
In re: : Chapter 15
:
SPECTRA PREMIUM INDUSTRIES INC., *et al.*,¹ : Case No. 20-10611 (BLS)
:
Debtors in a Foreign Proceeding. : (Joint Administration Requested)
:
: Ref. No. 8
----- X

**ORDER GRANTING PROVISIONAL RELIEF
PURSUANT TO BANKRUPTCY CODE SECTION 1519**

Upon the motion (the “Motion”)² of Ernst & Young Inc. (the “Petitioner”), in its capacity as the monitor of the above captioned debtors (the “Debtors”) in insolvency proceedings (the “Canadian Proceedings”) commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”) pending before the Superior Court, sitting in the Commercial Division for the district of Montréal (the “Canadian Court”) and as the duly authorized foreign representative as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”), for entry of a provisional order enforcing the Initial Order and granting a stay against any collection or enforcement against the Debtors or the Debtors’ assets in the United States and otherwise applying section 362 of the Bankruptcy Code on an interim basis under section 1519 of the Bankruptcy Code; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with sections 157 and 1334 of title 28 of the United States Code, sections 109 and 1501 of the Bankruptcy Code, and the Amended

¹ The Debtors in these Chapter 15 cases, along with the last four digits of each Debtor’s federal identification number, are: Spectra Premium Industries Inc. (4016); Spectra Premium Holdings (USA) Corp. (7133); Spectra Premium (USA) Corp. (9447); and Spectra Premium Properties (USA) Corp. (7618). The registered office of Spectra Premium Industries Inc., the Debtors’ ultimate corporate parent company, is located at 1 Place Ville Marie in Montréal, Quebec, Canada, H3B 4M4, Suite 4000. The Debtors are collectively managed from the Spectra Group’s corporate headquarters in Boucherville, Quebec, Canada.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Standing Order of Reference from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the “Amended Standing Order”); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to section 157(b) of title 28 of the United States Code; and due and proper notice of the provisional relief sought in the Motion having been provided under the circumstances; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearing; and upon (i) the *Petitioner’s Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief* (the “Verified Petition”), (ii) the *Memorandum of Law in Support of (A) Petitioner’s Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief*, and (iii) the *Declaration of Guillaume Pierre Michaud in Support of (A) Petitioner’s Verified Petition Under Chapter 15 for Recognition of the Canadian Proceedings and Request for Related Relief, and (B) Motion for Provisional Relief* (collectively, the “Chapter 15 Papers”), filed contemporaneously with the Motion, the record of the Hearing and all of the proceedings before the Court in these Chapter 15 cases; and the Court having found and determined that the provisional relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation thereon and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this

proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order.

C. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

D. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

E. Service of the Motion on the Notice Parties was due, proper, and sufficient under the circumstances and no other notice is required.

F. On March 11, 2020, these Chapter 15 cases were commenced by the Petitioner's filing of a voluntary Chapter 15 Petition for Recognition of a Foreign Proceeding for each Debtor contemporaneously with the filing of the Verified Petition. Attached to the Verified Petition was an order (the "Initial Order") of the Canadian Court in the Canadian Proceedings appointing the Petitioner and granting additional relief.

G. The Petitioner has demonstrated a substantial likelihood of success on the merits that (a) each of the Canadian Proceedings is a "foreign main proceeding" as that term is defined in section 1502(4) of the Bankruptcy Code, (b) the Petitioner is a "foreign representative" as that term is defined in section 101(24) of the Bankruptcy Code, (c) all statutory elements for recognition of the Canadian Proceedings are satisfied in accordance with section 1517 of the Bankruptcy Code, and (d) upon recognition of the Canadian Proceedings as foreign main proceedings, section 362 of the Bankruptcy Code will automatically apply in these Chapter 15

cases pursuant to section 1520(a)(1) of the Bankruptcy Code.

H. The Petitioner has demonstrated that (a) the commencement or continuation of any proceeding or action in the United States against the Debtors and their business and all of their assets should be stayed pursuant to sections 105(a), 1519, and 1521 of the Bankruptcy Code, which protections, in each case, shall be coextensive with the provisions of section 362 of the Bankruptcy Code, to permit the fair and efficient administration of the Canadian Proceedings for the benefit of all stakeholders and (b) the relief requested in the Motion will neither cause an undue hardship nor create any hardship to parties in interest that is not outweighed by the benefits of the relief granted herein.

I. The Petitioner has demonstrated that application of the automatic stay on a provisional basis is crucial to prevent irreparable harm to the Debtors and/or their assets resulting from potential collection, enforcement efforts, or other actions of creditors and/or landlords prior to the disposition of the Petitions for recognition.

J. The Petitioner has demonstrated that no injury will result to any party that is greater than the harm to the Debtors' assets and property in the absence of the relief requested in the Motion.

K. The interests of the public and public policy of United States will be served by entry of this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted as set forth herein.
2. The Initial Order is hereby given full force and effect on an interim basis, including, without limitation, the stay of proceedings to the extent set forth in the Initial Order, and shall be given full force and effect in the United States until otherwise ordered by this Court.

3. While this Order is in effect, the Petitioner, the Debtors, and the Debtors' property are entitled to the full protections and rights pursuant to section 1519(a)(1) of the Bankruptcy Code, which protections shall be coextensive with the provisions of section 362 of the Bankruptcy Code, and this Order shall operate to stay, without limitation, any collection, enforcement efforts, or other actions of creditors, lessors, and any other parties against the Debtors and their property in the United States.

4. All entities (as that term is defined in section 101(15) of the Bankruptcy Code), other than the Petitioner and its authorized representatives and agents, are hereby enjoined from, without limitation:

- (a) enforcing any rights or obligations or otherwise executing against any of the Debtors' assets or other properties;
- (b) commencing or continuing, including the issuance or employment of process, of a judicial, administrative, arbitral, or other action or proceeding, or to recover a claim, including without limitation any and all unpaid judgments, settlements, or otherwise against the Debtors in the United States;
- (c) taking or continuing any act to create, perfect, or enforce a lien or other security interest, set-off, or other claim against the Debtors or any of their property;
- (d) transferring, relinquishing, or disposing of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Petitioner;
- (e) enforcing, commencing, or continuing an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities; and
- (f) terminating any agreements, leases, contracts, or understandings, or otherwise enforcing rights, accelerating obligations, or exercising remedies of any kind in respect thereof.

5. Notwithstanding any applicability of any Bankruptcy Rules, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. The Petitioner is authorized to take all actions necessary to effectuate the relief

granted pursuant to this Order in accordance with the Motion.

7. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: March 12, 2020
Wilmington, Delaware


Honorable Brendan L. Shannon
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re	)	Chapter 15
The Aldo Group Inc., <i>et al.</i> ¹	)	Case No. 20-11060 (KBO)
Debtors in Foreign Proceedings.	)	Jointly Administered
	)	Re: D.I. 8

ORDER GRANTING PROVISIONAL RELIEF

Upon the Motion of The Aldo Group Inc., as Foreign Representative of the Aldo Group Inc. and Certain of its Affiliates, For an Order Granting Certain Provisional Relief (the “Motion”)² of The Aldo Group Inc., in its capacity as the Canadian Court court-appointed and authorized foreign representative (the “Foreign Representative”) for the above-captioned debtors (the “Debtors”) in a proceeding (the “CCAA Proceeding”) commenced under Canada’s Companies’ Creditors Arrangement Act (the “CCAA”) pending before the Judicial District Of Montréal, Canada (the “Canadian Court”), for entry of a provisional order (this “Order”), pursuant to sections 105(a), 362, 363, 364(e), 365(a), 365(e), 1517, 1519, and 1521, of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) granting the Requested Provisional Relief as defined and described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and

The Debtors in these chapter 15 cases and the last four digits of their U.S. Federal Employer Identification Numbers or other unique identifier are as follows: The Aldo Group Inc. (2186); Southwest Capital Holdings Inc. (8248); Aldo U.S. Inc. (6704); Aldo Marketing LLC (1748); Aldo Shoes West Forty Second, LLC (2610); Aldo 1125 Third Ave. Corp. (2110); Aldo 5th Ave. Inc. (2112); Aldo 250 West 125 Inc. (2324); and 1230 Avenue of the Americas LLC (6704). The Debtors' principal offices are located at 2300 rue Émile-Bélanger, Montréal, Canada H4R 3J4.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

1334, 11 U.S.C. §§ 109 and 1501, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and Debtors having consented to the Court's authority to enter a final order consistent with Article III of the U.S. Constitution; and venue being proper before this Court pursuant to 28 U.S.C. § 1410; and due and proper notice of the provisional relief sought in the Motion having been provided; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and upon the Galarneau Declaration, the verified chapter 15 petitions and all other pleadings filed contemporaneously with the Motion, the record of the Hearing and all of the proceedings had before the Court; and the Court having found and determined that the provisional relief sought in the Motion is in the best interests of the Debtors, creditors and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012.

- C. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).
- D. Venue for this proceeding is proper before this Court pursuant to 28 U.S.C. § 1410.
- E. The Foreign Representative has demonstrated a substantial likelihood of success on the merits that (a) the CCAA Proceeding is a “foreign main proceeding” as that term is defined in section 1502(4) of the Bankruptcy Code or, alternatively, with respect to certain Debtors, the CCAA Proceeding is a “foreign nonmain proceeding” as defined in section 1502(5) of the Bankruptcy Code, (b) the Foreign Representative is a “foreign representative” as that term is defined in section 101(24) of the Bankruptcy Code, (c) all statutory elements for recognition of the CCAA Proceeding are satisfied in accordance with section 1517 of the Bankruptcy Code, (d) upon recognition of the CCAA Proceeding as a foreign main proceeding, section 362 of the Bankruptcy Code will automatically apply in these chapter 15 cases pursuant to section 1520(a)(1) of the Bankruptcy Code, and (e) that application of section 365(e) on an interim basis to prevent contract counterparties from terminating their prepetition contracts with the Debtors is entirely consistent with the injunctive relief afforded by the automatic stay under section 362.
- F. The Foreign Representative has demonstrated that (a) the commencement of any proceeding or action in the U.S. against Debtors and its business and all of its assets should be stayed pursuant to sections 1519, 1521, and 105(a) of the Bankruptcy Code, which protections, in each case, shall be coextensive with the provisions of section 362 of the Bankruptcy Code, to permit the fair and efficient administration of the CCAA Proceeding, including a reorganization pursuant to a plan of compromise or arrangement, pursuant to the Initial Order and any other applicable orders of the Canadian Court, for the benefit of all stakeholders, and (b) the relief

requested in the Motion will neither cause an undue hardship nor create any hardship to parties in interest that is not outweighed by the benefits of the relief granted herein.

G. The Foreign Representative has demonstrated that without the protection of sections 362 and 365(e) of the Bankruptcy Code, there is a material risk that the Debtors' creditors, including counterparties to certain of the Debtors' leases and contracts, may take the position that the commencement of the CCAA Proceeding or these chapter 15 cases authorizes them to terminate such contracts or accelerate obligations or exercise remedies thereunder. Such termination or acceleration will severely impair the Debtors' restructuring efforts and result in irreparable damage to the Debtors' business and the value of Debtors' assets, and substantial harm to Debtors' creditors and other parties in interest.

H. The Foreign Representative has demonstrated that without the protections afforded to lenders under section 364(e), there is a material risk that the Debtors will be unable to obtain the requisite financing to continue their business operations and fund their restructuring proceedings, which will significantly impair and potentially result in irreparable damage to the value of the Debtors' assets.

I. The Foreign Representative has demonstrated to the Canadian Court and the Canadian Court has found that the incurrence of indebtedness under the Interim Facility and the granting of liens and charges negotiated in connection with the Interim Facility is necessary to prevent irreparable harm to the Debtors because, without such financing, the Debtors will be unable to continue operations and fund their restructuring proceedings, which will significantly impair the value of their assets.

J. The Foreign Representative has demonstrated to the Canadian Court and the Canadian Court has found that the terms of the Interim Facility are fair and reasonable and were

entered into in good faith by Debtors and the Lenders, and that the Lenders would not have extended financing without the provisions of this Order and the Court's recognition of the protections set forth in the Initial Order and Amended Initial Order (as applicable) relating to the Interim Facility.

K. The Foreign Representative has demonstrated that absent the relief granted herein, there is a material risk that one or more parties in interest will take action against the Debtors or their assets. As a result, Debtors may suffer immediate and irreparable injury, loss, or damage for which there is no adequate remedy at law and therefore it is necessary that this Court grant the relief requested in the Motion with notice as provided in the motion. Further, unless this Order is entered, Debtors' assets could be subject to efforts by creditors to control, possess, or execute upon such assets and such efforts could result in Debtors suffering immediate and irreparable injury, loss or damage by, among other things, creditors (a) interfering with the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code, and (b) interfering with or undermining the success of the CCAA Proceeding.

L. The Foreign Representative has demonstrated that the following relief is in the best interest of the Debtors, as the Debtors will suffer immediate and irreparable harm if the Court does not permit (a) the Debtors to expeditiously disclaim, resiliate (*i.e.*, cancel) or reject executory contracts and leases governed by U.S. law or within the territorial jurisdiction of the United States, subject to the notice procedures and requirements of the CCAA, (b) to comply with the provisions of the Canadian Court's orders in respect of landlord-related issues, including the authority to liquidate inventory, furniture, fixtures and equipment and manage landlord issues pursuant to the Sales Guidelines and (c) honor and comply with Customer Programs.

M. The Foreign Representative has demonstrated that no injury will result to any party that is greater than the harm to Debtors' business, assets, and property in the absence of the relief requested in the Motion.

N. Debtors' creditors will not suffer any significant harm by the requested provisional relief, as the relief will ensure the value of Debtors' assets are preserved, protected and maximized for the benefit of all creditors.

O. The Foreign Representative has demonstrated that, in the interest of comity, the purpose of chapter 15 is carried out by granting recognition and giving effect to the Initial Order and, upon its entry by the Canadian Court, the Amended Initial Order.

P. The interests of the public and public policy of the U.S. will be served by entry of this Order.

Q. The Foreign Representative and Debtors are entitled to the full protections and rights available pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Initial Order is hereby given full force and effect on a provisional basis, including, without limitation, the sections of the Initial Order (a) authorizing the Debtors to obtain credit under the Interim Facility in the amount of CND\$5,000,000 and granting to the Lenders the Interim Lender Charge to authorize the Debtors to enter into, perform and borrow under the Interim Facility, (b) staying the commencement or continuation of any actions against the Debtors and their assets, (c) imposing a stay with respect to claims or actions against the Debtors' directors and officers or their assets in connection with the director's or officer's position at the Debtor (d) authorizing the Debtors to continue to honor the Customer Programs, including for the avoidance of doubt Customer Programs in the United States, (e) granting the

Debtors authority to disclaim (*i.e.*, cancel) contracts and leases, (f) granting the Directors' Charge and Administration Charge, and (g) authorizing the Debtors to convey, transfer, assign, lease, or in any other manner dispose of property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed CND\$100,000 or CND\$500,000 in the aggregate.

3. Upon entry of the Amended Initial Order by the Canadian Court in the CCAA Proceedings superseding the Initial Order, the Amended Initial Order is hereby given full force and effect on a provisional basis, including, without limitation, (a) the provisions already included in the Initial Order, (b) authorizing the Debtors to continue to perform and borrow up to a total of USD\$60,000,000 under the Interim Facility, (b) increasing the CCAA Charges, and (c) authorizing the Debtors to pay rent twice monthly and liquidate inventory, furniture, fixtures and equipment and manage landlord issues related thereto pursuant to the Amended Initial Order and the Sale Guidelines, including for the avoidance of doubt with respect to property located within the territorial jurisdiction of the United States.

4. While this Order is in effect, the Foreign Representative and Debtors are entitled to the full protections and rights pursuant to section 1519(a)(1), which protections shall be coextensive with the provisions of section 362 of the Bankruptcy Code, and this Order shall operate as a stay of any execution against Debtors' assets within the territorial jurisdiction of the United States.

5. While this Order is in effect, pursuant to sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, sections 362 and 365(e) of the Bankruptcy Code are hereby made applicable in these Chapter 15 Cases to the Debtors and their property within the territorial jurisdiction of the United States, and (b) section 362 of the Bankruptcy Code is hereby made

applicable to the Debtors' directors and officers and their property within the territorial jurisdiction of the United States.

6. Pursuant to 11 U.S.C. § 1519(a) and 1521(a)(3) and (7), all persons and entities, other than the Foreign Representative and its representatives and agents, are hereby enjoined from:

- a. execution against any of the Debtors' and their directors and officers (the "Protected Parties") assets;
- b. the commencement or continuation, including the issuance or employment of process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise against the Debtors or other Protected Parties, which in either case is in any way related to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceedings;
- c. taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against the Debtors or other Protected Parties or any of their property or proceeds thereof;
- d. transferring, relinquishing or disposing of any property of the Debtors to any person or entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;
- e. commencing or continuing an individual action or proceeding concerning the Debtors' or other Protected Parties' assets, rights, obligations or liabilities; and
- f. declaring or considering the filing of the Canadian Proceedings or these Chapter 15 Cases a default or event of default under any agreement, contract or arrangement;

provided, in each case, that such injunctions shall be effective solely within the territorial jurisdiction of the United States; and provided further that nothing herein shall: (x) prevent any entity from filing any claims against the Debtors in the Canadian Proceedings or (y) prevent any entity from seeking relief from the Canadian Court in the Canadian Proceedings or this Court in these Chapter 15 Cases, as applicable, for relief from the injunctions contained in the Order

7. To the extent authorized under the Initial Order and Amended Initial Order, the Court recognizes, on a provisional basis, that during the Stay Period, as defined in the Initial Order or Amended Initial Order (as applicable) and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding, as defined in the Initial Order or Amended Initial Order (as applicable), may be commenced or continued against any former, present or future director or officer of the Aldo Parties, as defined in the Initial Order or Amended Initial Order (as applicable), nor against any person deemed to be a director or an officer of the Aldo Parties under subsection 11.03(3) of the CCAA (each, a “Director”, and collectively, the “Directors”) in respect of any claim against such Director which arose prior to May 7, 2020, Montreal time, province of Quebec, and which relates to any obligation of the Aldo Parties where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation.

8. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as (a) enjoining the police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent not stayed pursuant to section 362 of the Bankruptcy Code or (b) staying the exercise of any rights that section 362(o) of the Bankruptcy Code does not allow to be stayed.

9. To the extent provided in the Initial Order or Amended Initial Order, and based on the finding therein and to promote cooperation between jurisdictions in cross-border insolvencies, the Debtors are hereby authorized to execute and deliver such term sheets, credit agreements, mortgages, charges, hypothecs and security documents, guarantees, and other definitive documents as are contemplated by the Interim Facility (collectively, the “DIP Documents”) or as may be reasonably required by the Interim Lenders pursuant to the terms

thereof, and Debtors are hereby authorized to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lenders under and pursuant to the Interim Facility without any need for further approval from this Court.

10. To the extent authorized under the Initial Order or the Amended Initial Order, the Court recognizes, on a provisional basis, the Interim Lender Charge, as defined in the Initial Order or Amended Initial Order (as applicable), granted in the Initial Order and/or Amended Initial Order which applies to all of Aldo Canada and Aldo U.S.'s assets located in the United States, subject to the priorities, terms, and conditions of the Initial Order or Amended Initial Order (as applicable), to secure current and future amounts outstanding under the Interim Facility.

11. This Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection, and priority of the liens granted to the Lenders in the Initial Order and Amended Initial Order without the necessity of filing or recording this Order or any financing statement, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction; *provided* that Debtors are authorized to execute, and the administrative agent under the Interim Facility may file or record, any financing statements, mortgages, other instruments or any other DIP Document to further evidence the liens authorized, granted, and perfected hereby and by the Initial Order or Amended Initial Order (as applicable).

12. Pursuant to sections 364(e), 1519(a)(3), 1521(a)(7), and 105(a) of the Bankruptcy Code, the validity of the indebtedness, and the priority of the liens authorized by the Initial Order and/or Amended Initial Order made enforceable in the United States by this Order, shall not be

affected by any reversal or modification of this Order, on appeal or the entry of an order denying recognition of the CCAA Proceedings pursuant to section 1517 of the Bankruptcy Code.

13. No action, inaction or acquiescence by the DIP Agent (as defined in the DIP Term Sheet) or the Interim Lenders, including, without limitation, funding the Debtors' ongoing operations under this Order, shall be deemed to be or shall be considered as evidence of any alleged consent by the DIP Agent or the Interim Lenders to a charge against the collateral pursuant to sections 506(c), 552(b) or 105(a) of the Bankruptcy Code. The DIP Agent and the Interim Lenders shall not be subject in any way whatsoever to the equitable doctrine of "marshaling" or any similar doctrine with respect to the collateral.

14. Effective on a provisional basis upon entry of this Order, no person or entity shall be entitled, directly or indirectly, whether by operation of sections 506(c), 552(b) or 105 of the Bankruptcy Code or otherwise, to direct the exercise of remedies or seek (whether by order of this Court or otherwise) to marshal or otherwise control the disposition of any collateral or property after an Event of Default under the DIP Documents, or termination or breach under the Interim Facility, the DIP Documents, the Initial Order, the Amended Initial Order (upon its entry by the Canadian Court) or this Order.

15. While this Order is in effect, upon entry of the Amended Initial Order by the Canadian Court in the CCAA Proceedings, pursuant to sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, sections 105(a) and 363(b) of the Bankruptcy Code are hereby made applicable in these Chapter 15 Cases to the extent necessary to (a) authorize, but not direct, the Debtors to, in their sole discretion, honor all obligations with respect to any Customer Programs, and to maintain and/or commence the Customer Programs during the pendency of these Chapter 15 Cases, (b) to sell property within the territorial jurisdiction of the United States pursuant to

the Sales Guidelines or Amended Initial Order and (c) subject to approval of the Monitor or further order of the Canadian Court, to convey, transfer, assign, lease, or in any other manner dispose of property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed CND\$100,000 or CND\$500,000 in the aggregate.

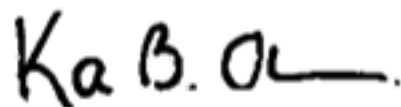
16. While this Order is in effect, upon entry of the Amended Initial Order by the Canadian Court in the CCAA Proceedings, pursuant to sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, sections 105(a) and 365(a) of the Bankruptcy Code are hereby made applicable in these Chapter 15 Cases to authorize, but not direct, the Debtors to, in their sole discretion and consistent with the terms of the Amended Initial Order, disclaim, resiliate and/or reject any executory contracts (including employment contracts) or unexpired leases governed by the laws of the United States and/or related to property within the territorial jurisdiction of the United States.

17. The Foreign Representative, Debtors, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

18. Notwithstanding any provision in the Bankruptcy Rules to the contrary, including, but not limited to, Bankruptcy Rules 7062 and 1018, (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative and the Interim Lenders are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) the Foreign Representative and the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

19. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: May 8th, 2020
Wilmington, Delaware

Handwritten signature of Karen B. Owens in black ink.

KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE