

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

N^o: 500-

DATE: February 11, 2019

PRESIDING: THE HONOURABLE MARTIN CASTONGUAY, J.S.C.

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

SURAL QUÉBEC INC.

-&-

SURAL LAMINATED PRODUCTS OF CANADA INC.

Petitioners

-&-

INVESTISSEMENT QUÉBEC

-&-

EXPORT DEVELOPMENT CANADA

-&-

BANK OF MONTREAL,

-&-

EURO ALLOYS LIMITED,

-&-

INTRAL INC.

Mises-en-cause

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PRICEWATERHOUSECOOPERS INC.,

Monitor

INITIAL ORDER

- [1] **THE COURT**, upon reading the Petitioners' *Motion for (i) the Issuance of an Initial Order; (ii) the Granting of an Administration Charge and a Directors and Officers Charge; & (iii) the Implementation of a Sales and Investment Solicitation Process* (the "**Petition**") pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**"), having examined the proceeding, the affidavits and the exhibits;
- [2] **GIVEN** the representations by counsel for the Petitioners, the Monitor, the secured creditors and other parties;
- [3] **GIVEN** the provisions of the CCAA;

FOR THESE REASONS, THE COURT HEREBY:

- [4] **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:
- a) Service;
 - b) Application of the CCAA, Continuation of the BIA Proceedings under the CCAA and Procedural Consolidation;
 - c) Effective Time;
 - d) Plan of Arrangement;
 - e) Stay of Proceedings against the Petitioners and the Property;
 - f) Stay of Proceedings against the Directors and Officers;
 - g) Possession of Property and Operations;
 - h) No Exercise of Rights or Remedies;
 - i) No Interference with Rights;
 - j) Continuation of Services;

- k) Non-Derogation of Rights;
- l) Directors' and Officers' Indemnification and Charge;
- m) Restructuring;
- n) SISP;
- o) Powers of the Monitor;
- p) Priorities and General Provisions Relating to CCAA Charges;
- q) General.

A. Service

- [5] **ORDERS** that any prior delay for the presentation of the Petition is hereby abridged and validated so that the Petition is properly returnable today and hereby dispenses with further service thereof.
- [6] **DECLARES** that sufficient prior notice of the presentation of the Petition has been given by the Petitioners to interested parties, including the secured creditors who are likely to be affected by the charges created herein.

B. Application of the CCAA, and Procedural Consolidation

- [7] **DECLARES** that the Petitioners are debtor companies to which the CCAA applies.
- [8] **ORDERS** that the consolidation of these CCAA proceedings in respect of the Petitioners shall be for administrative purposes only and shall not effect a consolidation of the assets and property of each of the Petitioners including, without limitation, for the purposes of any Plan or Plans that may be hereafter proposed.

C. Effective Time

- [9] **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Quebec, on the date of this Order (the "**Effective Time**").

D. Plan of Arrangement

- [10] **DECLARES** that the Petitioners shall have the authority to file with this Court and to submit to its creditors one or more plans of compromise or arrangement (collectively, the "**Plan**") in accordance with the CCAA.

E. Stay of Proceedings against the Petitioners and the Property

- [11] **ORDERS** that, until and including March 11, 2019 (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Petitioners, or affecting the Petitioners' business operations and activities (the "**Business**") or the Property (as defined herein), including as provided in paragraph [21] herein except with leave of this Court. Any and all Proceedings currently under way against or in respect of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.
- [12] **ORDERS** that the rights of Her Majesty in right of Canada and Her Majesty in right of a Province are suspended in accordance with the terms and conditions of subsection 11.09 CCAA.
- [13] **ORDERS** that Bank of Montreal, Investissement Québec and Export Development Canada (the "**Secured Lenders**") are unaffected by and not subject to this Order including any Stay of Proceedings contained herein.

F. Stay of Proceedings against Directors and Officers

- [14] **ORDERS** that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Petitioners nor against any person deemed to be a director or an officer of any of the Petitioners under subsection 11.03(3) CCAA (each, a "**Director**", and collectively the "**Directors**") in respect of any claim against such Director which arose prior to the Effective Time and which relates to any obligation of the Petitioners where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation.

G. Possession of Property and Operations

- [15] **ORDERS** that, subject to the Monitor's powers granted herein, the Petitioners shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the "**Property**"), the whole in accordance with the terms and conditions of this order including, but not limited, to paragraph [31] hereof.
- [16] **ORDERS** that, for greater certainty, the Petitioners shall immediately suspend operations at the Bécancour Factory (as defined in the Petition), and shall not restart said operations unless otherwise agreed to by the Monitor and the Secured Lenders of SLPC.

- [17] **ORDERS** that subject to the prior approval of the Monitor each of the Petitioners are authorized to complete outstanding transactions and finish transformation of existing inventory to ship finished products to clients of the Petitioners.
- [18] **ORDERS** that the Petitioners shall be entitled but not required to pay the following expenses with the prior consent of the Monitor whether incurred prior to or after this Order:
- a) outstanding and future wages, salaries, expenses and, benefits payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - b) the fees and disbursements of any agents retained or employed by the Petitioners in respect of these proceedings, at their standard rates and charges; and
 - c) amounts owing for goods or services actually supplied to the Petitioners prior to the date of this Order by third party suppliers up to a maximum aggregate amount of \$100,000, if, in the opinion of the Monitor, the supplier is critical to the business and ongoing operations of the Petitioners.
- [19] **ORDERS** that, subject to the prior approval of the Monitor and except as otherwise provided to the contrary herein, the Petitioners shall be entitled but not required to pay all reasonable expenses incurred by the Petitioners in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business; and
 - b) payment for goods or services actually supplied to the Petitioners following the date of this Order.
- [20] **ORDERS** that the Petitioners shall remit, in accordance with legal requirements, or pay:
- a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Québec Pension Plan, and (iv) income taxes; and
 - b) all goods and services, harmonized sales or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Petitioners and

in connection with the sale of goods and services by the Petitioners but only where such Sales Taxes are accrued or collected after the date of this Order.

H. No Exercise of Rights of Remedies

[21] **ORDERS** that during the Stay Period, and subject to, *inter alia*, subsection 11.1 CCAA, all rights and remedies, including, but not limited to modifications of existing rights and events deemed to occur pursuant to any agreement to which any of the Petitioners is a party as a result of the insolvency of the Petitioners and/or these CCAA proceedings, any events of default or non-performance by the Petitioners or any admissions or evidence in these CCAA proceedings, of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Petitioners, or affecting the Business, the Property or any part thereof are hereby stayed and suspended except with leave of this Court and except for the rights of the Secured Lenders.

[22] **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods including, without limitation, to file grievances relating to the Petitioners or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Petitioners, or any of them, become(s) bankrupt or a receiver as defined in subsection 243(2) of the BIA is appointed in respect of the Petitioners, the period between the date of the Order and the day on which the Stay Period ends shall not be calculated in respect of the Petitioners in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

I. No Interference with Rights

[23] **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners except with the written consent of the Monitor, or with leave of this Court.

J. Continuation of Services

[24] **ORDERS** that during the Stay Period and subject to paragraph [26] hereof and subsection 11.01 CCAA, all Persons having verbal or written agreements with the Petitioners or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and

other data services, centralized banking services, payroll services, insurance, transportation, utility or other goods or services made available to the Petitioners, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Petitioners, and that the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of the Order are paid by the Petitioners, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners, as applicable, with the consent of the Monitor, or as may be ordered by this Court.

[25] **ORDERS** that, notwithstanding anything else contained herein and subject to subsection 11.01 CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Petitioners on or after the date of this Order, nor shall any Person be under any obligation on or after the date of the Order to make further advance of money or otherwise extend any credit to the Petitioners.

[26] **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by any Petitioners with any Person, excluding Bank of Montreal, during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by a Petitioners and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into a Petitioners' account until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

K. Non-Derogation of Rights

[27] **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of the Petitioners shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

L. Directors' and Officers' Indemnification and Charge

- [28] **ORDERS** that the Petitioners shall indemnify their Directors from all claims relating to any obligations or liabilities they may incur and which have accrued as of February 11, 2019 by reason of or in relation to their respective capacities as directors or officers of the Petitioners after the Effective Time, except where such obligations or liabilities were incurred as a result of such directors' or officers' gross negligence, wilful misconduct or gross or intentional fault as further detailed in Section 11.51 CCAA.
- [29] **ORDERS** that the Directors of the Petitioners shall be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of **\$100,000** (the "**Directors' Charge**"), as security for the indemnity provided in paragraph [28] of this Order as it relates to obligations and liabilities that the Directors may incur in such capacity after the Effective Time. The Directors' Charge shall have the priority set out in paragraphs [52] and [53] of this Order.
- [30] **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Directors 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 that such coverage is insufficient to pay amounts for which the Directors are entitled to be indemnified in accordance with paragraph [28] of this Order.

M. Restructuring

- [31] **DECLARES** that, to facilitate the orderly restructuring of their business and financial affairs (the "**Restructuring**") but subject to such requirements as are imposed by the CCAA, the Monitor or the Petitioners, subject to prior approval of the Monitor and the Secured Lenders or further order of the Court, shall have the right to:
- a) permanently or temporarily cease, downsize or shut down any of their operations or locations as they deem appropriate and make provision for the consequences thereof in the Plan;
 - b) pursue all avenues to convey, transfer, assign or in any other manner dispose of the Business or Property, in whole or part, subject to further order of the Court and sections 11.3 and 36 CCAA, and under reserve of subparagraph (c);
 - c) subject to the prior consent of the Monitor and the Secured Lenders convey, transfer, assign, lease, or in any other manner dispose of the Property, outside of the ordinary course of business, in whole or in part,

and that the price and value in each case does not exceed **\$200,000** in the aggregate;

- d) terminate the employment of such of their employees or temporarily or permanently lay off such of their employees as they deem appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision to deal with, any consequences thereof in the Plan, as the Petitioners may determine;
- e) subject to the provisions of section 32 CCAA, disclaim or resiliate, any of their agreements, contracts or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Petitioners, as applicable, and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- f) subject to section 11.3 CCAA, assign any rights and obligations of Petitioners.

[32] **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of any of the Petitioners pursuant to section 33 of the CCAA and subsection 57(e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving such Petitioners and the Monitor 24 hours prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Petitioners, provided nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

[33] **ORDERS** that the Petitioners, as applicable, shall provide to any relevant landlord notice of the intention of any of the Petitioners to remove any fittings, fixtures, installations or leasehold improvements at least seven (7) days in advance. If a Petitioners has already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between such Petitioners and the landlord.

[34] **DECLARES** that, in order to facilitate the Restructuring, the Petitioners may, subject to the approval of the Monitor, or further order of the Court, settle claims of customers and suppliers that are in dispute.

[35] **ORDERS** that all meetings of the shareholders of Petitioners be postponed and extended pending further order of this Court.

[36] **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, the Petitioners are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Petitioners or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

[37] **ORDERS** that pursuant to clause 3(c)(i) of the *Electronic Commerce Protection Regulations*, made under *An Act to Promote the Efficiency and Adaptability of the Canadian Economy by Regulating Certain Activities that Discourage Reliance on Electronic Means of Carrying Out Commercial Activities, and to Amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*, S.C. 2010, c. 23, the Petitioners and the Monitor are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective purchasers or bidders and to their advisers but only to the extent desirable or required to provide information with respect to any sales process in these CCAA proceedings.

N. SISP

[38] **ORDERS** the Petitioners to enter into a sale and investor solicitation process ("**SISP**") to be run by the Monitor as directed by the Secured Lenders and approved by the Monitor.

[39] **AUTHORIZES** and **DIRECTS** the Monitor and the Petitioners, with the approval of the Monitor, to take such steps as they consider necessary and desirable in carrying out the SISP in accordance with its terms.

O. Powers of the Monitor

[40] **ORDERS** that PricewaterhouseCoopers Inc. is hereby appointed to monitor the business and financial affairs of the Petitioners as an officer of this Court (the "**Monitor**") and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

- a) shall, as soon as practicable, (i) publish once a week for two (2) consecutive weeks or as otherwise directed by the Court, in La Presse+, the Globe & Mail National Edition and (ii) within five (5) business days after the date of this Order (A) post on the Monitor's website (the "**Website**") a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against a Petitioners of more than \$1,000, advising them that the Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder;
- b) shall monitor and control the Petitioners' receipts and disbursements;
- c) shall assist the Petitioners, to the extent required by the Petitioners, in dealing with their creditors and other interested Persons during the Stay Period;
- d) shall assist the Petitioners with the preparation of their cash flow projections and any other projections or reports and the development, negotiation and implementation of the Plan;
- e) shall advise and assist the Petitioners to review the Petitioners' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- f) shall take whatever steps necessary or desirable to carry out the SISP;
- g) shall assist the Petitioners, to the extent required by the Petitioners, with the Restructuring and in their negotiations with their creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan;
- h) shall report to the Court on the state of the business and financial affairs of the Petitioners or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time

as considered appropriate by the Monitor or as the Court may order and may file consolidated Reports for the Petitioners;

- i) shall report to this Court and interested parties, including but not limited to creditors affected by the Plan, with respect to the Monitor's assessment of, and recommendations with respect to, the Plan;
- j) shall also communicate with and report to the Secured Lenders on a daily basis or as often as necessary;
- k) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of this Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- l) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of their powers or the discharge of their obligations in these proceedings and any related proceeding, under this Order or under the CCAA;
- m) may act as a "foreign representative" of any of the Petitioners or in any other similar capacity in any insolvency, bankruptcy or reorganisation proceedings outside of Canada;
- n) may give any consent or approval as may be contemplated by this Order or the CCAA;
- o) may hold and administer funds in connection with arrangements made among the Petitioners, any counter-parties and the Monitor, or by Order of this Court; and
- p) may perform such other duties as are required by this Order or the CCAA or by this Court from time to time.

[41] **ORDERS** that, in addition to the foregoing, and notwithstanding anything to the contrary therein, the Monitor is hereby authorized and empowered to:

- a) preserve, protect and maintain the control of the Property, or any parts thereof;
- b) operate and carry on the Business for the purpose of liquidation including, without limitation:
 - i) completing any transaction for the sale, use or monetization of the Property; and

- ii) if appropriate, developing and implementing a Plan or Plans on behalf of the Petitioners;
- c) take all steps and actions the Monitor considers necessary or desirable in these proceedings including, without limitation:
- i) entering into any agreements;
 - ii) incurring obligations in the daily ordinary course of business;
 - iii) retaining or terminating employees or contractors;
 - iv) administering and winding down all employee benefit plans of the Petitioners and making and endorsing all filings related thereto (including, without limitation, financial statements, tax returns and tax filings); and
 - v) ceasing to carry all or part of the Business;
 - vi) accessing, at all times, the places of business and the premises of the Petitioners, the Property, and changing the locks to such places of business and premises of the Petitioners;
 - vii) accessing all the books, records, archives, including accounting records, of the Petitioners, as well as to any document, contract, register of any nature or kind whatsoever, wherever they may be situated and regardless of the medium on which they may be recorded (the "**Records**"), including the powers necessary to make copies of all the Records necessary or useful to the execution of the Monitor's functions;
 - viii) controlling the Petitioners' receipts and disbursements whether through copies of bank records or access to the electronic platform to visualize the activities in the accounts, wherever they may be;
 - ix) collecting all accounts receivable and all other claims of the Petitioners and transacting in respect of same, including signing any document for this purpose;
 - x) selling and disposing of all inventory of the Petitioners, whether at regular price or at a discount, and executing all documentation necessary in this regard;
 - xi) opening any required bank account, on the terms and conditions the Monitor may determine, with any chartered Canadian bank or any other financial institution, the whole, in order to cash any item

payable to the Petitioners, and issuing any payment which, in the opinion of the Monitor, is necessary or useful to the Petitioners' operations;

- xii) using the Petitioners' cash flow to pay any and all amounts due by the Petitioners and/or the Monitor in relation to post-filing expenses or services as well as all professional services incurred, including the Monitor's fees and expenses as well as those of its legal counsel and the Secured Lenders' counsel;
 - xiii) interesting or soliciting one or several potential buyers of all or any part of the Property, including, without limitation, the right to carry out a public call for tenders or private solicitations in order to dispose of the Property;
 - xiv) reporting to, meeting with and discussing with the Petitioners' representatives and the Secured Lenders, as the Monitor deems appropriate, regarding all matters relating to the Property, the liquidation process and these proceedings, and sharing information with them subject to such terms as to confidentiality as the Monitor deems advisable; and
 - xv) performing such other duties and taking such other steps reasonably incidental to the exercise of these powers and as required by this Order or by this Court from time to time.
- d) engage consultants, appraisers, agents experts, auditors, accountants, managers, counsel and such other person from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
 - e) continue to engage the services of the Petitioners' employees on behalf of the Petitioners, until the Monitor, acting for and on behalf of the Petitioners, terminates the employment of such employees. The Monitor shall not be liable for any employee related liabilities, including any successor-employer liabilities as provided for in section 11.8(1) of the CCAA, other than such amounts as the Monitor may specifically agree in writing to pay;
 - f) oversee and direct the preparation of cash flow statements and assist in the dissemination of financial or other information in these proceedings;
 - g) receive, collect and take possession of all monies and accounts now owned or hereafter owing to any one or more of the Petitioners, including proceeds payable pursuant to the sale of Property;

- h) execute, assign, issue, endorse documents of whatever nature in respect of any of the Property, whether in the Monitor's name or in the name and on behalf of any of the Petitioners (including without limitation, financial statements, tax returns and tax filings);
- i) initiate, prosecute, make and respond to applications and motions in, and continue the prosecution of any and all proceedings on behalf of or involving one or more of the Petitioners (including the within proceedings) and settle or compromise any proceedings or claims by and against one or more of the Petitioners. The authority hereby conveyed shall extend to such appeals or application and motions for judicial review in respect of any order or judgement pronounced in any such proceedings;
- j) exercise any rights which the Petitioners may have;
- k) provide instruction and direction to the advisors of the Petitioners;
- l) make any distribution or payment required under any Order in these proceedings;
- m) apply to the Court upon notice as required under the BIA, and, where the Court is of the opinion that it is proper and in the best interests of the estate, to (i) appoint a receiver pursuant to s. 234 of the BIA to take possession of any part or all of the Property or (ii) assign the Petitioners into bankruptcy or obtain a bankruptcy order against the Petitioners. Nothing in this Order shall prevent the Monitor from acting as court-appointed receiver or trustee in bankruptcy of any of the Petitioners; and
- n) perform such other duties or take any steps reasonably incidental to the exercise of such powers and obligations conferred upon the monitor by this Order or any Order of this Court.

[42] **ORDERS** that no provisions of this Order is intended to appoint the Monitor as an officer, director or employee of any of the Petitioners or to create a fiduciary duty to any party including, without limitation, any creditor or shareholder of the Petitioners. Additionally, nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, or receiver and manager of any of the Petitioners and any distribution made to creditors of the Petitioners will be deemed to be have been made by the Petitioners.

[43] **ORDERS** that the Petitioners and their current and former shareholders, officers, Directors, agents and representatives shall fully cooperate with the Monitor in the exercise of its powers and discharge if its duties, rights and obligations as provided and set out in this Order.

- [44] **ORDERS** that, without limiting the generality of anything herein, the Petitioners and their Directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Petitioners in connection with the Monitor's duties and responsibilities hereunder.
- [45] **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Petitioners with information in response to requests made by them in writing addressed to the Monitor and copied to the Petitioners' counsel. In the case of information that the Monitor has been advised by the Petitioners is confidential, proprietary or competitive, the Monitor shall not provide such information to any Person without the consent of the Petitioners unless otherwise directed by this Court.
- [46] **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Petitioners or continues the employment of the Petitioners' employees, the Monitor shall benefit from the provisions of section 11.8 of the CCAA.
- [47] **DECLARES** that Section 215 of the BIA applies *mutatis mutandis* and that no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out of the provisions of any order of this Court, except with prior leave of this Court, on at least seven days' notice to the Monitor and its counsel.
- [48] **DECLARES** that subject to the powers granted to the Monitor pursuant to the terms of this Order, nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Property. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Property within the meaning of environmental legislation and shall benefit from the protection provided for in Section 11.8(3) of the CCAA.
- [49] **DECLARES** that the powers of the Monitor shall be exercised pursuant to its sole discretion and judgment.
- [50] **ORDERS** that the Petitioners shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Petitioners' legal counsel and other advisers, directly related to these proceedings, the Plan and the Restructuring, incurred after this Order.
- [51] **DECLARES** that the Monitor, the Monitor's legal counsel, the Petitioners' legal counsel, the Monitor's and the Petitioners' respective advisers, as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted a charge and

security in the Property, to the extent of the aggregate amount of **\$250,000** (the "**Administration Charge**"), having the priority established by paragraphs [52] and [53] of this Order.

P. Priorities and General Provisions Relating to CCAA Charges

[52] **DECLARES** that the priorities of the Administration Charge, and the Directors' Charge (collectively, the "**CCAA Charges**"), as between them with respect to any Property to which they apply, shall be as follows:

- a) first, the Administration Charge; and
- b) second, the Directors' Charge;

[53] **DECLARES** that each of the CCAA Charges shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, options, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**") affecting the Property whether or not charged by such Encumbrances.

[54] **ORDERS** that, except as otherwise expressly provided for herein, the Petitioners shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Petitioners, as applicable, obtain the prior written consent of the Monitor and the prior approval of the Court.

[55] **DECLARES** that each of the CCAA Charges shall attach, as of the Effective Time, to all present and future Property of the Petitioners, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

[56] **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of the CCAA Charges, as applicable, shall be valid and enforceable and not otherwise be limited or impaired in any way by (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications or any assignments in bankruptcy made or deemed to be made in respect of any Petitioners; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease or other arrangement which binds the Petitioners (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- a) the creation of any of the CCAA Charges shall not create nor be deemed to constitute a breach by the Petitioners of any Third Party Agreement to which any Petitioners is a party; and

- b) the beneficiaries of the CCAA Charges shall not have any liability to any Person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the CCAA Charges.

- [57] **DECLARES** that notwithstanding: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications or any assignments in bankruptcy made or deemed to be made in respect of any Petitioners, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by any Petitioners pursuant to this Order and the granting of the CCAA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.
- [58] **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Petitioners and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Petitioners.

Q. General

- [59] **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors, employees, legal counsel or financial advisers of the Petitioners or of the Monitor in relation to the Business or Property of the Petitioners, without first obtaining leave of this Court, upon five (5) calendar days' written notice to the Petitioners' counsel, the Monitor's counsel, and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.
- [60] **ORDERS** that, subject to further Order of this Court, all motions in these CCAA proceedings are to be brought on not less than five (5) calendar days' notice to all Persons on the service list. Each motion shall specify a date (the "**Initial Return Date**") and time (the "**Initial Return Time**") for the hearing.
- [61] **ORDERS** that any Person wishing to object to the relief sought on a motion in these CCAA proceedings must serve responding motion materials or a notice stating the objection to the motion and the grounds for such objection (a "**Notice of Objection**") in writing to the moving party, the Petitioners and the Monitor, with a copy to all Persons on the service list, no later than 5 p.m. Montreal Time on the date that is three (3) calendar days prior to the Initial Return Date (the "**Objection Deadline**").
- [62] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion (the "**Presiding Judge**") may determine: (a) whether a hearing is necessary; (b) whether such hearing will be in person,

by telephone or by written submissions only; and (c) the parties from whom submissions are required (collectively, the "**Hearing Details**"). In the absence of any such determination, a hearing will be held in the ordinary course.

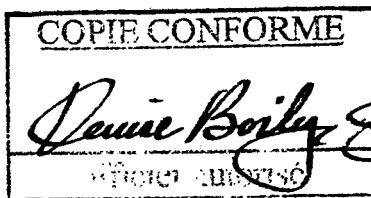
- [63] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Monitor shall communicate with the Presiding Judge regarding whether a determination has been made by the Presiding Judge concerning the Hearing Details. The Monitor shall thereafter advise the service list of the Hearing Details and the Monitor shall report upon its dissemination of the Hearing Details to the Court in a timely manner, which may be contained in the Monitor's next report in these proceedings.
- [64] **ORDERS** that, if a Notice of Objection is served by the Objection Deadline, the interested parties shall appear before the Presiding Judge on the Initial Return Date at the Initial Return Time, or such earlier or later time as may be directed by the Court, to, as the Court may direct: (a) proceed with the hearing on the Initial Return Date and at the Initial Return Time; or (b) establish a schedule for the delivery of materials and the hearing of the contested motion and such other matters, including interim relief, as the Court may direct.
- [65] **ORDERS** that, if any of the Petitioners seeks an interim financing, or if the Monitor contemplates seeking such financing, Bank of Montreal will need to be first offered the opportunity to provide such interim financing to the Petitioners, as well as a right of first refusal.
- [66] **DECLARES** that this Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Petitioners under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.
- [67] **DECLARES** that, except as otherwise specified herein, the Petitioners and the Monitor are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Petitioners and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.
- [68] **DECLARES** that the Petitioners and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Petitioners shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter.

- [69] **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on the solicitors for the Petitioners and the Monitor and has filed such notice with this Court, or appears on the service list prepared by the Monitor, the Petitioners or their respective attorneys, save and except when an order is sought against a Person not previously involved in these proceedings.
- [70] **DECLARES** that 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.
- [71] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) calendar days' notice to the Petitioners, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order, such application or motion shall be filed by no later than 15 days from the date hereof, unless otherwise ordered by this Court.
- [72] **DECLARES** that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [73] **AUTHORIZES** the Monitor or any of the Petitioners, and in the case of the Monitor, with the prior consent of the Petitioners, to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order and any subsequent orders of this Court and, without limitation to the foregoing, any orders under Chapter 15 of the U.S. Bankruptcy Code, including an order for recognition of these CCAA proceedings as "Foreign Main Proceedings" in the United States of America (the "**Chapter 15 Relief**"), and for which the Monitor or any of the Petitioners shall be the foreign representative of the Petitioners (in such capacity, the "**Foreign Representative**"). All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Monitor and the Petitioners as may be deemed necessary or appropriate for that purpose.
- [74] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America and any court or administrative body elsewhere, to give effect to this Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and the

Monitor as may be necessary or desirable to give effect to this Order, including by recognizing the present CCAA proceedings as "Foreign Main Proceedings" for the purpose of the Chapter 15 Relief, to grant representative status to the Foreign Representative in any foreign proceeding, to assist the Petitioners and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

[75] **DECLARES** that, for the purposes of the Chapter 15 Relief and/or any applications authorized by paragraphs [73] and [74], Petitioners' centre of main interest is located in the province of Québec, Canada.

[76] **ORDERS** the provisional execution of the Order notwithstanding any appeal.



The Honourable Martin Castonguay, J.S.C.

Date of the hearing : February 11, 2019

Mes Luc Morin and Arad Mojtahedi

Norton Rose Fulbright Canada S.E.N.C.R.L.

Counsels for the Petitioners *Sural Québec Inc.* and *Sural Laminated Product Canada Inc.*

Me Marc Duchesne

Borden Ladner Gervais S.E.N.C.R.L.

Counsels for Mise en cause *Bank of Montreal*

Me Jean Legault

Lavery S.E.N.C.R.L.

Counsels for Mise en cause *Investissement Québec*

Mes Alain Riendeau and Brandon Farber

Fasken Martineau S.E.N.C.R.L.

Counsels for the Monitor *PricewaterhouseCoopers Inc.*