Court File No. CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL	)	MONDAY THE 11TH
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF SEPTEMBER, 2017

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 INDEX ENERGY MILLS ROAD CORPORATION

(the "Applicant")

SISP APPROVAL ORDER

THIS MOTION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") for an order, *inter alia*, approving the Sales Process (as defined below) and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the Affidavit of Derek Blais sworn September 1, 2017 including the exhibits thereto (the "**Blais Affidavit**"), the First Report of Grant Thornton Limited., in its capacity as Monitor (the "**Monitor**") filed, and on hearing the submissions of counsel for the Applicant, the proposed Monitor, Index Equity US LLC and Index Residence AB (publ) ("**Index Residence**"), the senior lending syndicate to the Applicant (the "**Syndicate**") represented by National Bank of Canada as Agent (the "**Agent**"), the Stalking Horse Bidder (defined below) and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Monique Sassi sworn September 1, 2017 filed:

SERVICE & DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined shall have the meaning ascribed to them under (i) the asset purchase agreement dated as of September 1, 2017 (the "**Stalking Horse Agreement**") between the Applicant and Index Residence (in its capacity as purchaser under the Stalking Horse Agreement, the "**Stalking Horse Bidder**"); or (ii) the sale and investment solicitation process attached hereto as Schedule "A" (the "**SISP**"), as the case may be.

APPROVAL OF STALKING HORSE AGREEMENT

3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Applicant of the Stalking Horse Agreement be and is hereby ratified, authorized and approved, *provided, however*, that nothing contained in this Order approves the sale or the vesting of the Purchased Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement and that, if the Stalking Horse Agreement is the Accepted Bid under the SISP, the approval of the sale and vesting of the Purchased Assets to the Stalking Horse Bidder shall be considered by this Court on a subsequent motion made to this Court following completion of the SISP.

4. **THIS COURT ORDERS** that the Stalking Horse Agreement be and is hereby approved and accepted solely for the purposes of (i) constituting the Stalking Horse Bid under the SISP; (ii) approving the Expense Reimbursement and Transaction Fee (as defined in the Stalking Horse Agreement), and subject to the further Order of the Court referred to in paragraph 3 above.

5. **THIS COURT DECLARES** that the Stalking Horse Bidder is a party to these proceedings.

6. **THIS COURT ORDERS** that the Stalking Horse Agreement shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Bidder thereunder shall not otherwise be limited or impaired in any way by (a) the Applicant's CCAA proceedings and the declarations of insolvency made in connection therewith; (b) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) the execution, delivery or performance of the Stalking Horse Agreement shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party; and

(b) the Stalking Horse Bidder shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Stalking Horse Agreement.

APPROVAL OF SISP

7. **THIS COURT ORDERS** that the SISP attached hereto as Schedule "A" (subject to such non-material amendments as may be agreed to by the Monitor with the consent of the Agent) be and is hereby approved and the Monitor and the Applicant are hereby authorized and directed to take such steps as they deem necessary or advisable (subject to the terms of the SISP) to carry out the SISP, subject to prior approval of this Court being obtained before completion of any transaction(s) under the SISP.

8. **THIS COURT ORDERS** that the Monitor, the Applicant and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from the gross negligence or wilful misconduct of the Monitor, the Applicant, as applicable, as determined by the Court.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Monitor and the Applicant is

hereby authorized and permitted to disclose and transfer to each potential bidder (the "**Bidders**") (including, without limitation, the Stalking Horse Bidder) and to their advisors, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale of the Assets and/or the Business ("**Sale**"). Each Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Applicant, or in the alternative destroy all such information. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Accepted Bid(s), shall be entitled to use the personal information provided to it that is related to the Property acquired pursuant to the SISP in a manner which is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant, or ensure that all other personal information is destroyed.

APPROVAL OF THE ESCROW AGREEMENT

10. **THIS COURT ORDERS** the escrow agreement dated as of September 1, 2017 among the Applicant, the Monitor (as Escrow Agent, as defined therein), Index Residence and the Agent (the "**Escrow Agreement**"), and the execution, delivery, entry into, compliance with, and performance by the Applicant and the Monitor of the Escrow Agreement, be and are hereby ratified, authorized and approved.

11. **THIS COURT ORDERS AND DECLARES** that the rights and protections afforded to the Monitor pursuant to the Initial Order shall apply to it in its capacity as Escrow Agent.

GENERAL

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

13. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

14. **THIS COURT ORDERS** that at any time during the SISP, the Monitor or the Applicant may apply to the Court for directions with respect to the SISP.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SEP 1 1 2017

PER / PAR:

SCHEDULE "A"

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On August 16, 2017, Index Energy Mills Road Corporation ("**Index**" or the "**Debtor**") commenced a proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the initial order issued by the Court in the CCAA Proceeding (the "**Initial Order**"), Grant Thornton Limited was appointed as monitor of Index (the "**Monitor**"). Capitalized terms not otherwise defined herein are as defined in the Initial Order.

The Debtor intends to bring a motion before the Court on September 11, 2017 for an order (the "**SISP Order**") approving (i) the agreement of purchase and sale (the "**Stalking Horse APA**") between the Debtor and Index Residence AB (Publ) (the "**Stalking Horse Bidder**") pursuant to which the Stalking Horse Bidder has agreed to purchase substantially all of the assets, undertakings and properties of the Debtor (collectively, the "**Property**"); and (ii) the sale and investment solicitation process (the "**SISP**") as described in this document. The transaction under the Stalking Horse APA, or any improved bid by the Stalking Horse Bidder at the Auction (as defined below), is referred to herein as the "**Stalking Horse Bid**".

The Monitor will conduct the SISP, in consultation with National Bank of Canada in its capacity as agent for a syndicate of lenders to the Debtor (the "**Agent**", and together with the members of the syndicate represented by the Agent, the "**Secured Creditors**") and in accordance with the court-approved SISP Order. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP.

This document (the "**SISP Procedure**") outlines the SISP.

Commencement of the SISP and Identifying Bidders

1. The purpose of the SISP is to seek competing offers on an "as is, where is" basis to purchase the Property and/or to make an investment in the Debtor or the Debtor's business operations (the "**Business**") and to implement one or a combination of transactions to purchase the Property and/or to make an investment in the Debtor or the Business, in each case subject to prior approval of the Court (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Debtor as a going concern, or a sale of the Property and the Business as a going concern, or alternatively, the sale of individual assets.

2. Any sale of the Property or investment in the Business will be without surviving representations or warranties of any kind, nature, or description by the Monitor, the Debtor, or any of their respective directors, officers, agents, advisors or other representatives. In the event of a sale, all of the Debtor's right, title and interest in and to the Property to be acquired will be sold free and clear of the pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon as set out in the Court order approving such sale.

Timeline

3. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of SISP	September 12, 2017
Bid Deadline	November 21, 2017
Auction	November 28, 2017
Closing Date Deadline	January 12, 2018

The dates set out in the SISP may be extended by the Monitor, with the consent of the Agent, or by order of the Court.

Solicitation of Interest: Notice of the SISP

4. As soon as reasonably practicable, but in any event by no later than September 18, 2017:

(a) the Monitor, in consultation with the Debtor and the Agent, will prepare a list of potential bidders, including (i) parties that have approached the Debtor or the Monitor indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Monitor, in consultation with the Debtor and the Agent, believe may be interested in the Opportunity (collectively, "**Known Potential Bidders**");

(b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Debtor, considers appropriate) (the "**Notice**") to be published in *The Globe and Mail* (National Edition), and any other newspaper or journals as the Monitor, in consultation with the Debtor, considers appropriate, if any;

(c) the Monitor will prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a form of non-disclosure agreement in form and substance satisfactory to the Monitor (an "**NDA**");

(d) in consultation with the Debtor, the Monitor will prepare a confidential information memorandum (the "**Confidential Information Memorandum**") describing the Opportunity, which will be made available by the Monitor to Bidders (as defined below); and

(e) with the cooperation of the Debtor, the Monitor will establish the Data Room (as defined below).

5. The Monitor will send the Teaser Letter and NDA to all Known Potential Bidders by no later than September 19, 2017 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Debtor, the Agent or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

Delivery of Confidential Information Memorandum

6. Any party who wishes to participate in the SISP (an "**Interested Party**") must provide to the Monitor:

   (a) a NDA executed by it, and a letter setting forth the identity of the Interested Party, the contact information for such Interested Party and full disclosure of the direct and indirect principals of the Interested Party;

   (b) an acknowledgment of the SISP, in the form attached hereto as Schedule "A"; and

   (c) such form of financial disclosure and credit quality support or enhancement that allows the Monitor to make a reasonable determination as to the Interested Party's financial and other capabilities to consummate a Sale Proposal or Investment Proposal (each as defined below), as applicable.

7. If it is determined by the Monitor in its reasonable business judgment that an Interested Party: (i) has delivered the documents contemplated in paragraph 6 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP, then such Interested Party will be deemed to be a "**Bidder**". The Monitor may only determine that an Interested Party does not qualify as a Bidder with the Agent's approval.

8. The Monitor will provide each Bidder with a copy of the Confidential Information Memorandum and access to an electronic data room of due diligence information (the "**Data Room**"). Bidders and Qualified Bidders (as defined below) must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Debtor. The Debtor, the Monitor and their respective directors, officers, agents and advisors make no representation or warranty as to the information (i) contained in the Confidential Information Memorandum or the Data Room; (ii) provided through the due diligence process or otherwise made available pursuant to the SISP; or (iii) otherwise made available to a Known Potential Bidder, Interested Party, Bidder or Qualified Bidder, except to the extent expressly contemplated in any definitive sale or investment agreement with the Successful Bidder (as defined below) duly executed and delivered by the Debtor and approved by the Court.

9. At any time during the SISP, the Monitor may, in its reasonable business judgment and after consultation with and the consent of the Agent, eliminate a Bidder from the SISP, in which case such party will no longer be a Bidder for the purposes of the SISP. For greater certainty, this provision does not apply to the Stalking Horse Bidder.

10. The Debtor, or its affiliates, shall not meet or communicate with a Known Potential Bidder, Interested Party, Bidder or Qualified Bidder without (a) informing the Monitor and (b) having the Monitor participate in such meeting or communication. In the event a disagreement arises between the Debtor and the Monitor with respect to any matters related directly or indirectly to this SISP, the Monitor, unless otherwise ordered by the Court, shall have the sole authority to make a final decision with respect to such matters. For greater certainty, the foregoing provision is not intended to prevent or restrict the Debtor or its affiliates from meeting or communicating with the Stalking Horse Bidder or any party related thereto regarding matters that do not relate to the SISP.

11. The Debtor and the Monitor shall afford each Bidder such access to due diligence materials and information relating to the Property and Business as the Monitor deems appropriate in its reasonable business judgment. Due diligence access may include management presentations, access to the Data Room, on-site inspections, and other matters which a Bidder may reasonably request and which the Monitor deems appropriate. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from each Bidder and the manner in which such requests must be communicated. Neither the Debtor nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Bidders (or the Agent, if requested). For the avoidance of doubt, selected due diligence materials may be withheld from certain Bidders if the Monitor determines such information to represent proprietary or sensitive competitive information.

Formal Offers and Determination of Qualified Bids

12. Bidders will be able to refer to a template asset purchase agreement ("**APA**") or investment agreement ("**IA**") placed in the Data Room. Bidders that wish to make a formal offer to acquire all, substantially all or a portion of the Property (a "**Sale Proposal**") or make an investment in, restructure, reorganize or refinance the Debtor and/or the Business (an "**Investment Proposal**") must submit offers to the Monitor in the form of a duly authorized and executed APA or IA, with any changes disclosed in a comparison against the APA or IA (a "**Final Bid**") at the addresses specified in Schedule "**B**" hereto (including by email or fax transmission), so as to be received by the Monitor not later than 5:00 PM (Toronto Time) on November 21, 2017 or as such date may be modified by the Monitor, in consultation with and with the approval of the Agent (the "**Bid Deadline**"). In order to be considered a Final Bid, a Sale Proposal or Investment Proposal shall include the following terms (collectively, the "**Final Bid Criteria**"):

(a) be binding and irrevocable until the earlier of (i) 30 days after the Bid Deadline and (ii) approval by the Court of the Accepted Bid (as defined below);

(b) include an acknowledgement that if such Final Bid is selected by the Monitor as the Backup Bid (as defined in the Auction Procedures, as further defined below) at the Auction, such Final Bid shall remain binding, irrevocable and open for acceptance by the Debtor until the closing of the transaction with the Successful Bidder;

(c) include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the Order of the Monitor, in trust, in an amount equal to 10% (the "**Deposit**") of the purchase price or investment amount contemplated by the Bidder's Final Bid;

(d) if in respect of an Investment Proposal, also include a description of the type and amount of consideration to be allocated to secured creditors, preferred creditors, unsecured creditors and, if any, to the shareholders of the Debtor;

(e) details of any liabilities to be assumed by the Bidder;

(f) disclose the identity of each entity (including its ultimate shareholders and/or sponsors) that will be bidding for the Property or making an investment in the Debtor and/or the Business or otherwise participating in a Final Bid and the complete terms of any such participation;

(g) include written evidence of a firm, irrevocable commitment for financing or other evidence of an ability to consummate the proposed transaction or transactions comprising the Final Bid, that will allow the Monitor to make a determination as to the Bidder's financial and other capabilities to consummate the proposed transaction;

(h) include acknowledgments and representations of the Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property, Business, the Debtor or otherwise prior to making its bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of the Property or the Business (including, without limitation, any documents in connection therewith) in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, Property, or the Debtor or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtor and approved by the Court;

(i) include written evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;

(j) not be subject to further due diligence;

(k) not be subject to financing;

(l) include a description of any regulatory or other third-party approvals required for the Bidder to consummate the sale or investment transaction, and the time period within which the Bidder expects to receive such regulatory and/or third-party approvals, and those actions the Bidder will take to ensure receipt of such approvals as promptly as possible;

(m) not be subject to any conditions precedent except those that are customary in a transaction of this nature;

(n) not be conditional upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;

(o) contain full details of the proposed number of the Debtor's employees who will become employees of the Bidder in the case of a Sale Proposal or remain employees of the Debtor in the case of an Investment Proposal and the proposed terms and conditions of employment of such employees;

(p) be received by the Bid Deadline;

(q) provide for the payment of the $300,000 expense reimbursement and transaction fee contemplated by the Stalking Horse APA; and

(r) contemplate closing the transaction set out therein on or before January 12, 2018 (the "**Closing Date Deadline**").

13. Following the Bid Deadline, the Monitor, in consultation with the Agent, will determine if each Sale Proposal or Investment Proposal delivered to the Monitor meets the Final Bid Criteria, provided that each Sale Proposal or Investment Proposal may be negotiated among the Monitor and the applicable Bidder and may be amended, modified or varied to improve such Sale Proposal or Investment Proposal as a result of such negotiations. The Monitor shall be under no obligation to negotiate identical terms with, or extend identical terms to, each Bidder.

14. With the approval of the Agent and on notice to parties in the CCAA Proceeding, the Monitor may seek Court approval of an amendment to the SISP.

15. If a Sale Proposal or Investment Proposal meets the Final Bid Criteria and provides value to the creditors and other stakeholders of the Debtor (having regard to the relative priority of creditor claims) that is equal to or greater than the Value of the Stalking Horse APA (as defined below), such Final Bid will be deemed to be a "**Qualified Bid**" and the Bidder in respect of each such Qualified Bid shall be a "**Qualified Bidder**". The Monitor may waive strict compliance with any one or more of the Final Bid Criteria and deem such non-compliant Sale Proposal or Investment Proposal to be a Qualified Bid, provided that doing so shall not constitute a waiver by the Monitor of the Final Bid Criteria or an obligation on the part of the Monitor to designate any other Sale Proposal or Investment Proposal as a Qualified Bid.

16. The Monitor, may, in consultation with the Agent, aggregate separate Final Bids from unaffiliated Bidders to create one or more Qualified Bid.

Value of the Stalking Horse APA

17. The **"Value of the Stalking Horse APA"** is the sum of the following:

(a) $20,000,000; plus

(b) The amount outstanding under the DIP Credit Agreement and secured by the DIP Lender's Charge as at the closing date under the Stalking Horse APA, which is assumed to be $5,000,000; plus

(c) The amount outstanding under the Administration Charge as at the closing date under the Stalking Horse APA, which amount will include the Monitor's estimate of the professional fees of the Monitor, Monitor's counsel and the Debtor's counsel which will be incurred from the closing date under the Stalking Horse APA to and including the discharge of the Monitor; plus

(d) The amount outstanding under the Directors' Charge as at the closing date under the Stalking Horse APA, which is assumed to be $nil; plus

(e) The amount of any indebtedness secured by a lien or charge against the Debtor's property which ranks in priority to the security granted to the Secured Creditors by the Debtor, which prior ranking indebtedness is assumed to be $nil.

18. For greater certainty, the Value of the Stalking Horse APA does not include any liability or obligation of the Debtor contemplated to be paid or assumed by the Stalking Horse Bidder under the Stalking Horse APA that ranks subsequent in priority to the indebtedness of the Debtor to the Secured Creditors.

Selection of Successful Bidder

19. On or before November 24, 2017, or at such later time as the Monitor may deem appropriate, the Monitor will advise each Bidder if its Sale Proposal or Investment Proposal is a Qualified Bid. If one or more Qualified Bids is received by the Bid Deadline or so designated by the Monitor, all such Qualified Bidders shall proceed to an auction with the Stalking Horse Bidder to be held on November 28, 2017 (the "**Auction**"), which shall proceed according to the Auction Procedures set out in Schedule "C" hereto (the "**Auction Procedures**") to identify the Successful Bidder. For greater certainty, the Stalking Horse Bidder is and is deemed to be a Qualified Bidder and the Stalking Horse APA is and is deemed to be a Qualified Bid for all purposes in connection with the SISP.

20. If no Qualified Bid other than the Stalking Horse APA is received by the Bid Deadline or so designated by the Monitor, the Auction will not be held and the Stalking Horse Bidder will be declared to be the Successful Bidder. The "**Accepted Bid**" will be either (i) the Stalking Horse Bid if no Qualified Bid is received by the Bid Deadline or so designated by the Monitor; or (ii) the highest and best bid as determined by the Monitor at the Auction. The party that submitted the Accepted Bid is referred to herein as the "**Successful Bidder**".

21. If, upon the conclusion of the Auction, the Stalking Horse Bidder is not the Successful Bidder, the Successful Bidder's transaction shall be considered to be a superior transaction (a "**Superior Transaction**").

22. Within 7 days of the selection of the Accepted Bid, the Debtor shall file a motion with the Court (the "**Approval Motion**") seeking an Order approving and implementing the Accepted Bid. All of the Qualified Bids other than the Accepted Bid, the Backup Bid and the Stalking Horse Bid shall be deemed rejected by the Monitor on and as of the date of approval of the Accepted Bid by the Court.

23. All Deposits will be retained by the Monitor and invested in an interest bearing trust account. The Deposit held by the Monitor with respect to the Accepted Bid (plus accrued interest) will be non-refundable and will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the transaction under the Accepted Bid. The Deposits (plus applicable interest) of Bidders not selected as Qualified Bidders will be returned to such Bidders within 5 Business Days of the Bid Deadline. The Deposits (plus applicable interest) of Qualified Bidders (other than the Backup Bidder (as defined in the Auction Procedures) and the Stalking Horse Bidder) not selected as the Successful Bidder will be returned to such parties by the earlier of (i) 30 days after the Bid Deadline and (ii) within 5 Business Days of approval by the Court of the Accepted Bid.

24. If the Successful Bidder fails to close the transaction contemplated by the Accepted Bid by the earlier to occur of the Closing Date Deadline and the closing date under the Accepted Bid (or such date that may otherwise be mutually agreed upon among the Debtor, the Monitor and the Successful Bidder and approved by the Agent), the Monitor shall be authorized but not required to: (a) exercise such rights and remedies as are available to the Monitor and/or the Debtor under the Accepted Bid including, if applicable, deeming that the Successful Bidder has breached its obligations pursuant to the Accepted Bid and that the Successful Bidder has forfeited its Deposit to the Monitor; (b) designate the Backup Bidder as the Successful Bidder and direct the Debtor to close the transaction under the Backup Bid; or (c) take such other steps as it deems advisable, in consultation with the Agent. The Debtor reserves its right to seek all available damages, including specific performance, from any defaulting Successful Bidder (including any Backup Bidder designated as a Successful Bidder).

Confidentiality and Access to Information

25. Each Known Potential Bidder, Interested Party, Bidder or Qualified Bidder shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Known Potential Bidders, Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details or existence of any confidential discussions or correspondence between the Debtor, the Monitor, the Agent and any Bidder in connection with the SISP, except to the extent the Monitor, with the approval of the Agent and consent of the applicable participants, is seeking to combine separate Qualified Bids from Qualified Bidders.

26. In addition, the Monitor may consult with any other parties with a material interest in the CCAA Proceeding (including the Agent) regarding the status and material information and developments relating to the SISP to the extent considered appropriate by the Monitor and taking into account, among other things, whether any particular party is a Bidder, Qualified Bidder, or other participant or prospective participant in the SISP; provided that such parties may be required to enter into confidentiality arrangements satisfactory to the Monitor.

Supervision of the SISP

27. The Monitor will oversee, in all respects, the conduct of the SISP and, without limitation, the Monitor will participate in the SISP in the manner set out in this SISP Procedure and the SISP Order. All discussions or inquiries regarding the SISP should be directed to the Monitor. Under no circumstances should the management of the Debtor be contacted directly or indirectly without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process. For greater certainty, the foregoing provision is not intended to prevent or restrict the Debtor or its affiliates from meeting or communicating with the Stalking Horse Bidder or any party related thereto regarding matters that do not relate to the SISP.

28. Other than as specifically set forth in the Stalking Horse APA or in a definitive agreement between the Debtor and the Successful Bidder under a Superior Transaction, the SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Debtor, the Monitor or the Agent and any Known Potential Bidder, Interested Party, Bidder, Qualified Bidder, the Successful Bidder, or any other party.

29. Subject to the terms of the Initial Order, participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Final Bid, participation in the Auction, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

30. The Monitor shall have the right to modify the SISP with the consent of the Agent if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.

SCHEDULE "A"

Acknowledgement of the Sale and Investment Solicitation Process

The undersigned hereby acknowledges receipt of the sale and investment solicitation process approved by the Order of the Honourable Justice ● of the Ontario Superior Court of Justice (Commercial List) dated September 11, 2017 (the "**SISP**") and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any Final Bid (as defined in the SISP) to be considered by the Monitor.

This ____day of _______________, 2017.

[NAME]

SCHEDULE "B" – ADDRESSES FOR NOTICES

Grant Thornton Limited
in its capacity as Court-appointed Monitor of Index Energy Mills Road Corporation
200 King Street West, 11th Floor
Box 11
Toronto, ON M5H 3T4

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SCHEDULE "C" - AUCTION PROCEDURES

1. The Auction, if any, shall be conducted by the Monitor, commencing on November 28, 2017 at 10:00 a.m. (Eastern Time) at the Toronto offices of Grant Thornton Limited, 11th Floor, 200 King Street West, Toronto Ontario M5H 3T4.

2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of the Debtor, the Agent, the Stalking Horse Bidder and each other Qualified Bidder invited to the Auction shall be eligible to attend the Auction and make any Subsequent Bid (as defined below) at the Auction.

3. At the Auction, all Qualified Bidders (which term, for greater certainty, includes the Stalking Horse Bidder) shall be permitted to increase their Qualified Bids in accordance with the procedures set forth herein (each, a "**Subsequent Bid**"). All Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Subsequent Bid presented during the Auction will be fully disclosed to the participating Qualified Bidders throughout the entire Auction.

4. All Qualified Bidders must have at least one individual representative with authority to bind such Qualified Bidder present in person at the Auction.

5. All proceedings at the Auction shall be transcribed.

6. At least one (1) day prior to the Auction, the Monitor will advise all Qualified Bidders which of the Qualified Bids (including the Stalking Horse APA) the Monitor has determined in its reasonable business judgment, after consultation with its advisors and with the Agent, constitutes the then highest or otherwise best Qualified Bid (the "**Starting Bid**").

7. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one Subsequent Bid is submitted by a Qualified Bidder that (i) improves upon the then Leading Bid (as defined below) and meets the Overbid (as defined below) requirement, and (ii) the Monitor determines, in its reasonable business judgment, after consultation with its advisors and with the Agent, such Subsequent Bid is a higher or otherwise better offer than the Leading Bid.

8. Bidding at the Auction shall commence in increments of $200,000 (an "**Overbid**") and may provide for all or part of the consideration to be paid under a bid to be satisfied by way of a credit bid of secured indebtedness of the Debtor (a

"**Credit Bid**"), provided that the validity of such secured indebtedness has been confirmed by the Monitor prior to commencement of the Auction. Bidding shall continue until such time as the highest or best bid is determined by the Monitor, in its reasonable business judgment, after consultation with its advisors and with the Agent. The Monitor, in its sole discretion, shall have the right to modify the bidding increments at the commencement of any round of the Auction. For the purpose of evaluating the value of the consideration provided by each Subsequent Bid (including any Subsequent Bid by the Stalking Horse Bidder) presented at the Auction, the value will take into account the amount and priority of any Credit Bid and any liabilities to be assumed by a Qualified Bidder.

9. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the Subsequent Bid that the Monitor has determined in its reasonable business judgment, after consultation with its advisors and with the Agent, to be the then highest or best bid (the "**Leading Bid**"). A round of bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid.

10. If no Qualified Bidder submits a Subsequent Bid (as determined by the Monitor) after a period of 30 minutes following the Monitor's acceptance of a Subsequent Bid as the Leading Bid, and the Monitor chooses not to adjourn the Auction, the Leading Bid shall be the Accepted Bid, whereupon the Auction will be concluded.

11. If an Auction is conducted, the Monitor shall determine, in its reasonable business judgment after consultation with its advisors and with the Agent, the next highest or otherwise best Qualified Bid after the Accepted Bid (the "**Backup Bid**"). The Qualified Bidder which has submitted the Backup Bid will be designated as the "**Backup Bidder**". The Backup Bidder shall be required to keep its last submitted Subsequent Bid, or if it has not made a Subsequent Bid, its Qualified Bid (the "**Backup Bid**") open and irrevocable until the closing of the transaction with the Successful Bidder.

12. At or during the Auction, the Monitor, after consultation with its advisors and with the Agent, may employ and announce additional procedural rules that are fair and reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction; <u>provided</u>, <u>however</u>, that such rules are (a) not inconsistent with the SISP or these Auction Procedures, the CCAA, any order of the Court entered in connection with the SISP or Auction Procedures and (b) disclosed to each Qualified Bidder at or during the Auction.

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 INDEX ENERGY MILLS ROAD CORPORATION

Court File No. CV-17-580840-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

SISP APPROVAL ORDER

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