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

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 INDEX ENERGY MILLS ROAD CORPORATION

(the "Applicant")

MOTION RECORD

September 1, 2017

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Updated September 1, 2017

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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 INDEX ENERGY MILLS ROAD CORPORATION

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INDEX

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

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

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TAB 1

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

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 INDEX ENERGY MILLS ROAD CORPORATION

(the "**Applicant**")

NOTICE OF MOTION

(Stay Extension, Approval of Stalking Horse Agreement and SISP)
(Returnable September 11, 2017)

Index Energy Mills Road Corporation (the "**Applicant**" or "**Index Energy Ajax**") will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on September 11, 2017 at 8:30 a.m., or as soon after that time as the motion can be heard, at 330 University Ave, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The Motion is to be heard orally.

THE MOTION IS FOR:

(a) An Order substantially in the form attached hereto as Schedule "A", *inter alia*:

(i) abridging the time for and validating the service of, this Notice of Motion and supporting materials such that the motion is properly returnable on September 11, 2017 and dispensing with further service thereof;

(ii) extending the Stay Period (as defined below) to and including December 22, 2017;

(iii) authorizing and empowering Index Energy Ajax to obtain and borrow up to a maximum principal amount of $5,000,000 pursuant to the DIP Financing (as defined below);

(iv) approving the activities of Grant Thornton Limited in its capacity as court appointed monitor ("**Monitor**") of Index Energy Ajax as set out in the first report of the Monitor, to be filed (the "**First Report**");

(v) sealing Confidential Exhibit "A" to the affidavit of Derek Blais sworn September 1, 2017 (the "**Blais Affidavit**");

(b) An Order substantially in the form attached hereto as Schedule "B" (the "**SISP Approval Order**") *inter alia*:

(i) approving the sales and investment solicitation process ("**SISP**") and the Stalking Horse Agreement (defined below);

(ii) approving the Escrow Agreement (defined below) and extending the protections of the Monitor contained in the Initial Order (defined below) to the Escrow Agent (defined below); and

(c) Such further and other relief as counsel may advise and as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

(a) Index Energy Ajax owns and operates an electrical co-generation facility located in Ajax, Ontario that generates electricity by burning wood waste from the construction industry to produce steam to drive turbine generators (the "**Biomass Facility**").

(b) Index Energy Ajax entered into a feed-in-tariff contract (the "**FIT Contract**") with the Ontario Power Authority, now the Independent Electricity System Operator of Ontario ("**IESO**"), which required the retrofitting of the Biomass Facility (the "**Retrofit**").

(c) Index Energy Ajax encountered difficulties in retrofitting the Biomass Facility, has been engaged in litigation with its former contractor, HMI Construction Inc., and has been forced to deal with numerous liens arising from the construction associated with the Biomass Facility.

(d) Index Energy Ajax is in default of various obligations to a syndicate of lenders composed of National Bank of Canada, Canadian Western Bank, Laurentian Bank of Canada and Business Development Bank of Canada (collectively, the "**Syndicate**"). National Bank of Canada is also the agent of the Syndicate (in that capacity, the "**Agent**"). The Syndicate has made demand for payment of amounts in excess of $45 million.

(e) Index Residence AB (publ) ("**Index Residence**"), a party related to the majority shareholder of Index Energy Ajax, is also owed approximately $102 million on a secured basis.

(f) On August 16, 2017, Index Energy Ajax was granted protection under the *Companies' Creditors Arrangement Act* ("**CCAA**") pursuant to an order of the Honourable Regional Senior Justice Morawetz (the "**Initial Order**").

(g) The Initial Order, among other things: (i) granted a stay of proceedings in favour of Index Energy Ajax until and including September 15, 2017 (the "**Stay Period**"); and (ii) authorized Index Energy Ajax to borrow the maximum sum of $5,000,000 (the "**Principal Amount**") pursuant to a credit facility (the "**DIP Financing**") as interim financing from Index Equity US LLC (the "**DIP Lender**") with a maximum amount of $1.6 million (the "**Initial Advance**") permitted to be advanced by the DIP Lender prior to approval of a SISP acceptable to the Agent or further order of the Court.

A. DIP Advance

(h) Index Energy Ajax has requested and received the Initial Advance under the DIP Financing.

(i) If the proposed SISP is approved by the Court, the conditions under the Initial Order for an advance of the full Principal Amount will have been met and therefore, Index Energy Ajax is seeking authority to obtain and borrow up to the maximum Principal Amount.

B. The SISP

(j) The purpose of the SISP is to seek competing offers on an “as is, where is” basis to purchase the property of Index Energy Ajax and/or make an investment in the business of Index Energy Ajax which is superior to the offer contemplated in the Stalking Horse Agreement.

(k) Given the Stalking Horse Purchaser is a related party to Index Energy Ajax, the proposed SISP will be run by the Monitor.

(l) The SISP will be initiated by distribution of a process summary (the “**Teaser**”) to potential interested parties that describes the sale or investment opportunity, outlines the process under the SISP, and invites interested parties to express their interest pursuant to the SISP.

(m) Upon the execution of a non-disclosure agreement and an acknowledgement of the SISP by an interested party and pending the Monitor’s determination that an interested party would have the financial and other capabilities to consummate a sale proposal or an investment proposal, the Monitor will provide the interested party with a confidential memorandum providing additional information regarding the business of Index Energy Ajax and access to due diligence materials contained in an electronic data room (the “**Data Room**”).

(n) The proposed SISP contemplates a ten week marketing/diligence period with a deadline for submission of final bids proposed to be 5:00 p.m. (Eastern Time) on November 21, 2017 (the “**Bid Deadline**”).

(o) Bidders must submit their final bid by the Bid Deadline in the form of a template sale agreement or investment agreement to be posted in the Data Room which must, among other things (i) be binding, and irrevocable until the earlier of 30 days following the Bid Deadline and approval of the Court of the Accepted Bid (as defined below); (ii) be accompanied by a refundable deposit in the amount of 10% of the purchase price or investment amount contemplated by the bid; and (iii) contemplate closing the transaction by no later than January 12, 2018.

(p) Following the Bid Deadline, the Monitor, in consultation with the Agent, will determine if each bid may be deemed a qualified bid ("**Qualified Bid**") and notify such bidder on or before November 24, 2017. The Stalking Horse Agreement is deemed to be a Qualified Bid. In order to constitute a Qualified Bid, a bid must provide for value to the Applicant's creditors and stakeholders in excess of the value of the Stalking Horse Agreement, which includes any amounts in respect of obligations in priority to the Syndicate debt and the Expense Reimbursement and Transaction Fee (as defined in the Stalking Horse Agreement), as determined in accordance with the SISP (the "**Minimum Bid Amount**").

(q) If one or more Qualified Bids other than the Stalking Horse Agreement is received all such Qualified Bids will proceed to an auction to be held on November 28, 2017 (the "**Auction**") in accordance with the procedures set out in Schedule "B" to the SISP (the "**Successful Bidder**").

(r) 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 "**Accepted Bid**"). If an Auction is conducted, the next highest or otherwise best Qualified Bid after the Accepted Bid will be designated as a backup bid and must remain open and irrevocable until the closing of the transaction with the Successful Bidder.

(s) Within 7 days of the selection of the Accepted Bid, Index Energy Ajax will file a motion with the Court seeking an order approving and implementing the Accepted Bid.

C. The Stalking Horse Agreement

(t) Index Energy Ajax and Index Residence (in its capacity as purchaser under the Stalking Horse Agreement, the "**Stalking Horse Purchaser**") have entered into, subject to the Court's approval, a stalking horse agreement dated September 1, 2017 which forms part of the SISP (the "**Stalking Horse Agreement**").

(u) The Monitor supports and the Syndicate consents to the approval of the terms of the Stalking Horse Agreement.

(v) The Stalking Horse Purchaser has agreed to purchase substantially all of the Applicant's property and assets (the "**Purchased Assets**") including the FIT Contract.

(w) The Stalking Horse Purchaser has also agreed to assume certain liabilities of Index Energy Ajax including all indebtedness of Index Energy Ajax owing to Index Residence and the DIP Lender ("**Index Secured Debt**") but excluding any other intercompany debt.

(x) The purchase price under the Stalking Horse Agreement is the sum of: (i) the amount of the Escrow Funds (defined below); (ii) $10 million cash, (iii) the amount of the Index Secured Debt; (iv) the amount of the other assumed liabilities pursuant to the Stalking Horse Agreement, (v) the amount of the Administration Charge and the Directors Charge (each as defined in the Initial Order) as at the closing date under the Stalking Horse Agreement, and (vi) amounts secured by any other encumbrances that rank in priority to the Syndicate debt (the "**Stalking Horse Purchase Price**"). For purposes of the SISP, however, the Minimum Bid Amount only includes the cash portion of the Stalking Horse Purchase Price as well as obligations that have any priority over the Syndicate's debt assumed by the Stalking Horse Purchaser as well an amount equivalent to the Expense Reimbursement and Transaction Fee (being $300,000) (as defined in the Stalking Horse Agreement).

(y) The closing of the transaction contemplated in the Stalking Horse Agreement is conditional on, among other things: (i) the Stalking Horse Purchaser being selected as the Successful Bidder under the SISP; (ii) the Court granting the SISP Approval Order; (iii) the issuance of an approval and vesting order by the court, which would provide that the Purchased Assets be transferred to the Stalking Horse Purchaser free and clear of all encumbrances (other than those specifically assumed) on closing of the transaction; and (iv) the assignment of the FIT Contract to the Stalking Horse Purchaser with such amendments as may be necessary to permit the Stalking Horse Purchaser to be in compliance with such agreement at the time of the assignment.

(z) The Stalking Horse Agreement contemplates a closing date of no later than January 12, 2018 (the "**Closing Date**").

D. Escrow Agreement

(aa) As a condition of the Syndicate's support for the proposed SISP, the Syndicate, Index Energy Ajax, Index Residence, and the Monitor as escrow agent (in such capacity the "**Escrow Agent**") have also entered into an escrow agreement date September 1, 2017 (the "**Escrow Agreement**"):

(i) whereby Index Residence has agreed to deposit $10 million with the Escrow Agent (the "**Escrow Funds**");

(ii) the Escrow Funds will be released among other things, to the Index Residence on the closing of transaction to a purchaser other than the Stalking Horse Purchaser, or will be applied to the purchase price to be paid by the Stalking Horse Purchaser if the Stalking Horse Agreement is the Accepted Bid (as defined in the SISP); and

(iii) the Agent has the option, to require Index Residence or an affiliate thereof to purchase the debt owing to the Syndicate by Index Energy Ajax if a sale transaction for the assets of the Applicant has not closed by February 28, 2018, in which case the Escrow Funds will be applied to the purchase of the Syndicate debt.

E. Stay Extension

(bb) Index Energy Ajax is requesting an extension of the Stay Period to December 22, 2017 in order for the Monitor, with the assistance of Index Energy Ajax, to move forward with the SISP and bring a transaction contemplated by the SISP to Court for approval.

(cc) Subject to this Court authorizing further draws under the DIP Facility, it is forecast that Index Energy Ajax will have sufficient liquidity to pay post-filing service and supplies until December 22, 2017.

(dd) Since the granting of the Initial Order, Index Energy Ajax, in close consultation and with the assistance of the Monitor, has acted and continues to act in good faith and with due diligence in developing the SISP and the Stalking Horse Agreement which is the best opportunity to expose the business of Index Energy Ajax to the market while balancing the interest of all stakeholders to have the matter completed expeditiously.

(ee) No stakeholder will suffer any material prejudice if the Stay Period is extended as requested.

F. Sealing

(ff) Confidential Exhibit "A", being the unredacted Escrow Agreement including the Loan Sale and Assignment Agreement attached as Exhibit "C" thereto, contains confidential information which may affect the market value of Index Energy Ajax's assets.

G. General

(gg) The provisions of the CCAA and, in particular, Section 11 thereof;

(hh) The inherent and equitable jurisdiction of this Honourable Court;

(ii) Rules 1.04, 1.05, 2.03, 3.02, 16, 37 and 39 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended and section 106 of the Courts of Justice Act, R.S.O. 1990, c. C. 43, as amended; and

(jj) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) The Blais Affidavit and the exhibits attached thereto;

(b) The First Report of the Monitor to be filed; and

(c) Such further and other material as counsel may advise and this Honourable Court may permit.

September 1, 2017

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TAB A

Schedule “A”

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**")

ORDER

(Stay Extension and DIP Loan Extension)

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* (i) extending the Stay Period (as defined in paragraph 13 of the Initial Order of the Ontario Superior Court of Justice (Commercial List) dated August 16, 2017) (the "**Initial Order**") to and including December 22, 2017, and (ii) approving the activities of Grant Thornton Limited in its capacity as court appointed monitor ("**Monitor**") as set out in the first report of the Monitor, to be filed (the "**First Report**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Derek Blais, sworn September 1, 2017, and the exhibits thereto (the "**Blais Affidavit**"), the First Report, and on hearing the submissions of counsel for the Applicant, Index Equity US LLC (the "**DIP Lender**") and Index Residence AB (publ), the Monitor, and the senior lending syndicate to the Applicant represented by National Bank of Canada as agent, no one else appearing although duly served as appears from the affidavit of service of ● sworn September 1, 2017,

SERVICE

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

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Initial Order.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 13 of the Initial Order) be and is hereby extended until and including December 22, 2017.

DIP ADVANCE

4. **THIS COURT ORDERS** that notwithstanding the limitation on the initial advance under the DIP Credit Agreement (as defined in the Initial Order) pursuant to paragraph 31 of the Initial Order, the Applicant is authorized and empowered to obtain and borrow from the DIP Lender pursuant to the DIP Credit Agreement up to a maximum principal amount of $5,000,000.

APPROVAL OF ACTIVITIES

5. **THIS COURT ORDERS** that First Report and the actions, conduct and activities of the Monitor described therein be and are hereby approved.

SEALING

6. **THIS COURT ORDERS** that Confidential Exhibit “A”, to the Blais Affidavit be and are hereby sealed and shall be treated as confidential pending further order of this Court.

GENERAL

7. **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 of America, to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

ORDER
(Stay Extension and DIP Loan Extension)

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TAB B

Schedule "B"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL	)	MONDAY THE 11TH
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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(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 ● sworn September ●, 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.

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

Attention: Michael Creber / Harbir Gill
Email: michael.creber@ca.gt.com / harbir.gill@ca.gt.com
Fax: 1-416-360-4949

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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Lawyers for Index Energy Mills Road Corporation

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

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NOTICE OF MOTION

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TAB 2

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

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 INDEX ENERGY MILLS ROAD CORPORATION

(the "**Applicant**")

AFFIDAVIT OF DEREK BLAIS
(Sworn September 1, 2017)

I, Derek Blais, of the City of Napanee, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President and Secretary of Index Energy Mills Road ("**Index Energy Ajax**" or the "**Applicant**"), the Applicant in these proceedings (the "**CCAA Proceedings**"), which are positions I have held since August, 2017. I was previously the Plant Manager of Index Energy Ajax from June 2016 until June 2017. As such, I have personal knowledge of the facts to which I depose, except where I have indicated that I have obtained facts from other sources, in which case I verily believe those facts to be true.

2. This affidavit is sworn in support of a motion pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA**") brought by Index Energy Ajax for:

(a) an Order substantially in the form attached as Schedule "A" to the Notice of Motion to, among other things,

(i) extend the Stay Period (as defined below) to and including December 22, 2017;

(ii) authorize and empower Index Energy Ajax to obtain and borrow up to a maximum principal amount of $5,000,000 pursuant to the DIP Financing (as defined below); and

(iii) approve the activities of Grant Thornton Limited ("**GTL**") in its capacity as court appointed monitor of Index Energy Ajax ("**Monitor**") as set out in the first report of the Monitor, to be filed (the "**First Report**");

(iv) sealing **Confidential Exhibit "A"** (as discussed below) attached hereto; and

(b) an Order substantially in the form attached as Schedule "B" to the Notice of Motion (the "**SISP Approval Order**") *inter alia*:

(i) approving the sales and investment solicitation process ("**SISP**") and the Stalking Horse Agreement (defined below); and

(ii) approving the Escrow Agreement (defined below) and extending the protections of the Monitor contained in the Initial Order (defined below) to the Escrow Agent (defined below).

3. Except where so stated, capitalized terms used in this affidavit but not defined herein have the meaning given to them in the affidavit of Rickard Haraldsson sworn on August 15, 2017 (the "**Haraldsson Affidavit**"), a copy of which, without exhibits, is attached hereto as **Exhibit "A"**. Unless otherwise indicated, all amounts in this affidavit are in Canadian dollars.

BACKGROUND

4. Index Energy Ajax owns and operates an electrical co-generation facility located in Ajax, Ontario that generates electricity by burning wood waste from the construction industry to produce steam to drive turbine generators (the "**Biomass Facility**").

5. I am informed by the Haraldsson Affidavit and do verily believe that:

(a) Index Energy Ajax entered into a feed-in-tariff contract with the Ontario Power Authority, now the Independent Electricity System Operator of Ontario (**"IESO**") dated May 5, 2010 (the "**FIT Contract**") with certain contract capacity which required the retrofitting of the Biomass Facility (the "**Retrofit**").

(b) Index Energy Ajax encountered difficulties in retrofitting the Biomass Facility, has been engaged in litigation with its former contractor, HMI

Construction Inc., and has been forced to deal with numerous liens arising from the construction associated with the Biomass Facility.

(c) Index Energy Ajax is in default of various obligations to a syndicate of lenders composed of National Bank of Canada, Canadian Western Bank, Laurentian Bank of Canada and Business Development Bank of Canada (collectively, the "**Syndicate**"). National Bank of Canada is also the agent of the Syndicate (in that capacity, the "**Agent**"). The Syndicate has made demand for payment of amounts in excess of $45 million.

(d) Index Residence AB (publ), ("**Index Residence**") a party related to the majority shareholder of Index Energy Ajax, is also owed approximately $102 million on a secured basis.

6. On August 16, 2017 (the "**Filing Date**"), Index Energy Ajax was granted protection under the CCAA pursuant to an order of the Honourable Regional Senior Justice Morawetz (the "**Initial Order**"). A copy of the Initial Order, is attached hereto as **Exhibit "B"** and a copy of the endorsement of Regional Senior Justice G.B Morawetz in connection with the Initial Order, released on August 23, 2017 is attached hereto as **Exhibit "C"**.

7. The Initial Order, among other things:

(a) granted a stay of proceedings in favour of Index Energy Ajax until and including September 15, 2017, or such later date as the Court may order (the "**Stay Period**"); and

(b) authorized Index Energy Ajax to borrow the maximum sum of $5,000,000 pursuant to a credit facility (the "**DIP Financing**") as interim financing from Index Equity US LLC (the "**DIP Lender**") with a maximum amount of $1.6 million permitted to be advanced by the DIP Lender prior to approval of a SISP acceptable to the Agent or further order of the Court.

8. Index Energy Ajax sought protection under the CCAA in order to allow it a period of time to develop and implement the SISP, and to access urgently required interim financing on a priority basis to preserve value for all stakeholders and ensure its viability as a going-concern.

9. The Initial Order, together with the Monitor's reports and all other filings in the CCAA proceeding will be available on the Monitor's Website at: https://www.grantthornton.ca/IndexEnergy.

10. Further details regarding the background to this CCAA proceeding are set out in the Haraldsson Affidavit.

OVERVIEW OF INDEX ENERGY AJAX'S ACTIVITIES SINCE THE INITIAL ORDER

11. Since the Initial Order was granted, Index Energy Ajax has continued its efforts to improve the operations of the Biomass Facility and the running of the Biomass Facility in the ordinary course of business. Index Energy Ajax with the assistance of the Monitor, has engaged with vendors, employees and other stakeholders to ensure a smooth transition into these proceedings and to minimize disruption to the business.

12. As I understand will be outlined in the First Report, Index Energy Ajax's stakeholders have been notified of the CCAA proceedings by Index Energy Ajax and the Monitor as required.

13. Since the Filing Date, Index Energy Ajax advised all of its employees that Index Energy Ajax had applied for protection under the CCAA and provided them with information about the CCAA proceedings. On August 17, 2017 and August 21, 2017, Index Energy Ajax terminated the employment of approximately 3 employees whom management determined were not required in respect of the restructuring and since the Filing Date Index Energy Ajax has hired an employee in the role of supply chain manager.

14. On August 25, 2017, Index Energy Ajax contacted the IESO with respect to the FIT Contract and advised them that Index Energy Ajax has obtained protection under the CCAA. I am advised by counsel to Index Energy Ajax that they have been in contact with counsel to the IESO regarding the CCAA proceedings and the FIT Contract.

15. As disclosed in the Haraldsson Affidavit, Index Energy Ajax recently underwent certain management changes. On August 31, 2017, Index Energy Ajax held a shareholders' meeting to, among other things, ratify those changes. Despite objections by representatives of the minority shareholders, the shareholders ratified such changes including the ratification of the current board of directors and officers.

DIP ADVANCE

16. As detailed in the Haraldsson Affidavit, the DIP Lender agreed to provide Index Energy Ajax with DIP Financing, subject to certain conditions. Although the Initial Order permitted Index Energy Ajax to obtain up to a maximum of $5,000,000 (the "**Principal Amount**"), a maximum amount of $1.6 million (the "**Initial Advance**") was permitted to be advanced prior to the Comeback Hearing, and approval of a SISP acceptable to the Agent or a further order of the Court.

17. Consistent with the provisions of the DIP Financing and the Initial Order, following the granting of the Initial Order, Index Energy Ajax requested and on August 17, 2017 received the Initial Advance.

18. If the proposed SISP, which I understand is acceptable to the Agent, is approved by the Court, the conditions under the Initial Order for an advance of the full Principal Amount will have been met and therefore, Index Energy Ajax is seeking authority to obtain and borrow up to the maximum Principal Amount pursuant to the DIP Financing.

THE SISP

19. The purpose of the SISP is to seek competing offers on an "as is, where is" basis to purchase the Property of Index Energy Ajax and/or make an investment in the business of Index Energy Ajax which is superior to the offer contemplated in the Stalking Horse Agreement. Attached hereto and marked as **Exhibit "D"** is a true copy of the proposed SISP.

20. The proposed SISP contemplates a ten week marketing/diligence period.

21. The deadline for the submission of final bids under the SISP is proposed to be 5:00 p.m. (Eastern Time) on November 21, 2017 (the “**Bid Deadline**”). Given the Stalking Horse Purchaser (as defined below) is a related party to Index Energy Ajax, the proposed SISP will be run by the Monitor. I understand the proposed SISP will be described in greater detail in the First Report.

THE STALKING HORSE AGREEMENT

22. Index Energy Ajax and Index Residence (in its capacity as purchaser under the Stalking Horse Agreement, the “**Stalking Horse Purchaser**”) have entered into, subject to the Court’s approval, a stalking horse asset purchase agreement dated as of September 1, 2017 (the “**Stalking Horse Agreement**”) which forms part of the SISP.

23. I am advised by counsel to Index Energy Ajax that the Monitor supports and the Syndicate has consented to the approval of the Stalking Horse Agreement. I also understand that key terms of the Stalking Horse Agreement will be described in the First Report. Attached hereto and marked as **Exhibit “E”** is a true copy of the Stalking Horse Agreement with Schedule 7.6(a), being a listing of employees names and positions redacted.

THE ESCROW AGREEMENT

24. I am advised that as a condition of the Syndicate’s support for the proposed SISP, the Syndicate, Index Energy Ajax, Index Residence, and the Monitor, as escrow agent (in such capacity, the “**Escrow Agent**”), have also entered into an escrow agreement dated September 1, 2017 (the “**Escrow Agreement**”). Pursuant to

the Escrow Agreement, Index Residence has agreed to deposit $10 million (the "**Escrow Funds**") with the Escrow Agent to be released in accordance with the Escrow Agreement. Pursuant to the Escrow Agreement, the Escrow Funds will be released, among other things, to Index Residence on the closing of a sale or investment transaction to a purchaser other than the Stalking Horse Purchaser, or will be applied to the purchase price to be paid by the Stalking Horse Purchaser if the Stalking Horse Agreement is the Accepted Bid (as defined in the SISP).

25. I am advised that the Escrow Agreement also provides the Agent with an option to require Index Residence or an affiliate thereof to purchase the debt owing to the Syndicate by Index Energy Ajax if a sale transaction for the assets of the Applicant has not closed by February 28, 2018 in which case the Escrow Funds will be applied to the purchase of the Syndicate debt.

26. Attached hereto and marked as **Exhibit "F"** is a copy of the Escrow Agreement with certain commercially sensitive information redacted. An unredacted copy of the Escrow Agreement is attached hereto as **Confidential Exhibit "1"** which will be provided on a confidential basis to the Court, subject to a sealing order request, given that it contains information which may affect the market valuation of Index Energy Ajax's assets.

STAY EXTENSION

27. The Initial Order granted a Stay Period up to and including September 15, 2017 in order to preserve the status quo among the stakeholders of Index Energy Ajax while Index Energy Ajax stabilized operations and designed and implemented the SISP. The

Stay Period was a requirement of the DIP Facility, and it would also have been detrimental to Index Energy Ajax's ability to restructure if proceedings were commenced or continued or rights and remedies were exercised against Index Energy Ajax.

28. In this motion Index Energy Ajax is seeking an extension of the Stay Period up to and including December 22, 2017. The extension of the Stay Period is required for the Monitor, with the assistance of Index Energy Ajax, to move forward with the SISP and bring a transaction contemplated by the SISP to Court for approval.

29. The cash flow of Index Energy Ajax appended to the Haraldsson Affidavit (and attached again hereto as **Exhibit "G"**) shows that Index Energy Ajax is forecast to have sufficient funds to pay post-filing service and supplies until December 22, 2017.

30. It is my belief that Index Energy Ajax has acted, and continues to act, in good faith and with due diligence in developing the SISP and the Stalking Horse Agreement and I do not believe that any stakeholder will suffer any material prejudice if the Stay Period is extended as requested. The SISP offers the best opportunity to expose the business of Index Energy Ajax to the market while balancing the request of the Agent that the matter be completed expeditiously. This is in the interest of all stakeholders, and offers a fair compromise to all involved.

SWORN/AFFIRMED BEFORE me at the City of Ajax in the Province of Ontario this 1st day of September, 2017.	
A commissioner for taking affidavits, etc. **Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019**	**DEREK BLAIS**

This is **Exhibit "A"**
to the affidavit of **Derek Blais** sworn
before me this 1st day of September,
2017

....

A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019.

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

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 INDEX ENERGY MILLS ROAD CORPORATION

(the "**Applicant**")

AFFIDAVIT OF RICKARD HARALDSSON
SWORN August 15, 2017

I, Rickard Haraldsson, of the City of Stockholm, Sweden, MAKE OATH AND SAY:

1. I am a director of Index Energy Mills Road Corporation ("**Index Energy Ajax**" or the "**Applicant**"), a position I have held since June 2, 2016 and I am a director and the Chief Executive Officer of Index Equity Sweden AB, the parent company of Index Energy Sweden AB (publ) ("**Index Sweden**"). Index Sweden is the majority shareholder of Index Energy Ajax, and as such, I have personal knowledge of the facts to which I depose, except where I have indicated that I have obtained facts from other sources, in which case I verily believe those facts to be true.

INTRODUCTION

2. Index Energy Ajax owns and operates an electrical co-generation facility located in Ajax, Ontario that generates electricity by burning wood waste from the construction industry to produce steam to drive turbine generators (the "**Biomass Facility**").

3. Unfortunately, as a result of various design and construction issues, as discussed below, Index Energy Ajax encountered difficulties in retrofitting the Biomass Facility and actual energy output has been lower and operational costs have been higher than anticipated. Index Energy Ajax has been engaged in protracted litigation with its former engineering, procurement and construction contractor, HMI Construction Inc. ("**HMI**"), and has been forced to deal with numerous liens arising from the construction at the Biomass Facility including a lien claim of approximately $31.3 million (the amount of security required to vacate this lien claim was recently reduced by Court order) registered by HMI (the "**HMI**

Lien Claim"). With less than forecast output, the Applicant is in default of various obligations to its secured lenders, defined below as the Syndicate, who have made demand for payment of amounts in excess of $45 million. As well, Index Energy Ajax is experiencing significant liquidity constraints, and the existence of the HMI Lien Claim has impaired the Applicant's ability to obtain additional financing.

4. Over the past couple of years, Index Sweden and a related Swedish company, Index Residence AB (formerly Index International AB (publ)) ("**Index Residence**") have funded significant operating losses and capital requirements of Index Energy Ajax, but they are no longer prepared to do so other than through the DIP Financing (defined below) offered by a related party on a priority basis. A short term solution to Index Energy Ajax's restricted liquidity and a long term solution to the operational issues and funding is required.

5. Index Energy Ajax has recently made several changes to its management, which has included the addition of expertise to address the operational issues with the Biomass Facility, including increasing output and reliability, as well as reducing utility input costs.

6. The Applicant and Index Equity US LLC ("**Index US**") are currently in negotiations with the Syndicate to reach agreement on terms:

(A) of a mutually acceptable sale and investment solicitation process ("**SISP**") which would include a stalking horse bid; and

(B) to allow further advances under the DIP Financing (defined below) beyond the initial permitted draw amount, on a consensual basis

all of which would be subject to further court approval.

7. In these circumstances, Index Energy Ajax needs a period of time to move forward with a SISP to explore potential restructuring and/or sale transactions and also urgently requires interim financing on a priority basis to preserve value, create stability and to ensure its viability as a going-concern.

8. Accordingly, this affidavit is sworn in support of an application by the Applicant pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") for an initial order substantially in the form included in the application record (the "**Initial Order**") granting certain relief including, among other things:

(a) a declaration that the CCAA applies to Index Energy Ajax;

(b) a stay of all proceedings and remedies taken or that might be taken in respect of the Applicant or any of its property, except where otherwise set forth in the Initial Order or otherwise permitted by law;

(c) authorising the Applicant to carry on business in a manner consistent with the preservation of its property and business and to make certain payments in connection with its business;

(d) appointing Grant Thornton Limited ("**GT**") as the court-appointed monitor (the "**Monitor**") in these proceedings; and

(e) authorising Index Energy Ajax to borrow the maximum sum of $5,000,000 pursuant to a credit facility (the "**DIP Financing**") as interim financing from Index US (in such capacity the "**DIP Lender**") with a maximum amount of $1.6 million being advanced by the DIP Lender prior to the CCAA comeback hearing (the "**Comeback Hearing**").

9. As noted above, Index Energy Ajax intends to return to court shortly to seek approval of a SISP in order for it to ultimately emerge as a restructured business, either through an investment or a going-concern sale, and approval of the DIP Financing on a final basis.

10. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.

CORPORATE STRUCTURE AND SHAREHOLDERS

11. Index Energy Ajax was incorporated pursuant to the laws of Ontario on November 7, 2006. Its registered office is located at 170 Mills Road, Ajax, Ontario.

12. Index Energy Ajax is owned by three shareholders:

(a) Index Sweden is the owner of 70% of the issued common shares and certain non-voting second preferred shares in the capital stock of Index Energy Ajax;

(b) R. Andrews Investment Company, LLC ("**R. Andrews**") is the owner of 10% of the issued common shares in the capital stock of Index Energy Ajax; and

(c) Jacqueline Kerr ("**J. Kerr**") is the owner of 20% of the issued common shares in the capital stock of Index Energy Ajax.

13. Index Sweden acquired its interest in Index Energy Ajax from Index Residence pursuant to a share purchase agreement dated March 31, 2016 (the "**Index Sweden Transaction**"). Attached hereto and marked as **Exhibit "A"** is an organisational chart showing the current owners of Index Energy Ajax .

14. The directors of Index Energy Ajax are as follows:

    (a) Rickard Haraldsson; and

    (b) Colin Davies.

15. The officers of Index Energy Ajax, and their titles, are as follows:

    (a) Derek Blais, President and Secretary; and

    (b) Joseph Aletto, Chief Executive Officer.

16. Index Residence and Index Sweden are part of an affiliated global real estate, energy and investment group based in Sweden (collectively, the "**Index Group**").

HISTORY AND BACKGROUND

The Biomass Facility

17. Index Energy Ajax was incorporated to retrofit and operate an energy production facility located at 170 Mills Road and 176 Mills Road, Ajax, Ontario (the "**Property**"). The facility was originally built in 1941 to provide the steam required for the nearby Defence Industries Limited's shell filling plant. This business grew, and eventually the plant was providing steam to a number of industries and others in the vicinity.

18. Index Energy Ajax acquired the facility in 2008, with a plan to retrofit it (the "**Retrofit**") to replace the existing plant with the Biomass Facility as a bio-mass fired, co-generation facility that would supply steam to industrial clients and generate electricity for delivery to Ontario's power grid.

19. Index Energy Ajax entered into a feed-in-tariff contract with the Ontario Power Authority dated May 5, 2010 (the "**FIT Contract**") with contract capacity of 17.8 megawatts. Attached hereto as **Exhibit "B"** is a copy of the FIT Contract cover page unique to Index Energy Ajax and the applicable form of FIT contract.

20. In order to complete the Retrofit to meet the performance targets in the time periods

required under the FIT Contract, Index Energy Ajax entered into an engineering, procurement and construction contract with HMI dated December 21, 2012 (as amended from time to time, the "**EPC Contract**").

21. As set out below, the Retrofit commenced following execution of the EPC Contract. However, disputes arose between HMI and Index Energy Ajax regarding HMI's work on the Biomass Facility.

22. The Biomass Facility is the entirety of Index Energy Ajax 's business. Index Energy Ajax does not operate outside of Ontario.

The HMI Litigation

23. Under the EPC Contract, HMI was required to, among other things, design, supply and install the items necessary to construct a 17.8 megawatt biomass power plant, and then to commission and start-up the completed plant. The EPC Contract was a fixed price contract.

24. HMI began work on the project in mid-2013. From the start of work by HMI until August 2015 when Index Energy Ajax was forced to terminate the EPC Contract, Index Energy Ajax had substantial concerns with the work done by HMI. Specifically, I believe that HMI failed, among other things, to coordinate design work for the Biomass Facility, to design and construct the foundation properly, to comply with the EPC Contract's design criteria and specifications, to construct the plant properly, to install the boilers properly and to meet project milestones set out in the EPC Contract (collectively, the "**Deficiencies**").

25. Index Energy Ajax issued notices of default to HMI on May 1, 2015, informed HMI of its decision to take over the plant operations on May 19, 2015 despite the work under the EPC Contract not being completed, and by letter dated July 28, 2015 advised HMI of its decision to terminate the EPC Contract as a result of HMI's default.

26. While HMI was working on the project, HMI's subcontractors began to register claims for construction liens on title to the Property (the "**Subcontractor Lien Claims**"). On or about April 28, 2015, HMI also registered the HMI Lien Claim on title to the Property in the amount of approximately $31.3 million.

27. On September 22, 2015, Index Energy Ajax filed a statement of defence and counterclaim to HMI Lien's Claim. Given the fixed price nature of the EPC Contract,

Index Energy Ajax's position was that the HMI Lien Claim was, among other things, greatly exaggerated.

28. After substantial litigation, on November 23, 2016, Justice Salmers of the Ontario Superior Court of Justice (Oshawa) released an endorsement-ruling where he agreed that '...HMI significantly exaggerated the lienable amount with respect to work done on this project' (see para 4) and found that 'HMI exaggerated its lien by approximately $19,000,000, far more than twice the maximum lienable amount.' (see para 33). He further ordered that Index Energy Ajax would be able to vacate the HMI lien by payment of $16 million dollars. A copy of Justice Salmers' endorsement-ruling dated November 23, 2016 is attached hereto as **Exhibit "C"**.

29. HMI filed an appeal that was heard by the Divisional Court in Toronto on June 22, 2017. The Divisional Court upheld Justice Salmers' ruling. A copy of the Divisional Court decision is attached hereto as **Exhibit "D"**.

30. As well, on March 24, 2017, Justice Salmers granted a consent order pursuant to which all of the Subcontractor Lien Claims have been vacated from title to the Property following the payment into Court by Index Energy Ajax of the agreed holdback amount for those subcontractor lien claims as further described below. A copy of Justice Salmers' consent order dated March 24, 2017 is attached hereto as **Exhibit "E"**.

31. Since 2015, Index Energy Ajax has spent a significant amount of money on this litigation regarding the HMI Lien. Along with the counterclaim mentioned above Index Energy Ajax engaged Ricketts Harris LLP as its counsel to commence a claim against Daniel Joseph Leduc, HMI's legal counsel, in connection with the HMI litigation. Such statement of claim was issued on issued April 26, 2017.

Current Status of the Biomass Facility

32. As a result of the Deficiencies, the Biomass Facility has not been operating as intended following the Retrofit. In particular, it produced far less power than it was projected to. As originally planned, the Biomass Facility should be producing between 16 to 17.8 megawatts. Initially after the Retrofit, the Biomass Facility was producing significantly less. For example, from June to August 2015, the average output was less than one megawatt.

33. After its decision to take over plant operations on May 19, 2015, Index Energy Ajax

began substantial work to complete the Retrofit and improve output at the Biomass Facility. On June 16, 2015, Index Energy Ajax obtained Commercial Operation under the FIT Contract.

34. Significant mitigation work continued following that time, including the following:

(a) adding controls and defining operational settings for the combusters;

(b) overhauling and modifying the wood and ash conveyors; and

(c) modifying the soot blowers to address excess carry over.

35. To date significant funds have been spent on mitigation work and Index Energy Ajax has also incurred operating losses as a result of the Deficiencies. However, the Biomass Facility continues to produce far less electricity than it was intended to. Between January 1, 2017 and June 30, 2017, its output averaged 8.3 megawatts with a peak as high as 16.8 megawatts during a specified one hour period. Absent the dispute with HMI, I verily believe that the defects in the Biomass Facility resulting in reduced output, would have been covered by warranty.

***Recent Management Change*s**

36. Index Energy Ajax undertook an extensive management change in July and August 2017. It appointed two new officers (as discussed below): a new chief executive officer, with over 40 years experience in various capacities on power-generation facilities and a previous employee with extensive experience with the Biomass Facility returned in the role of Plant Manager and President and Secretary.

CREDITORS AND OTHER STAKEHOLDERS

37. Attached hereto and marked as **Exhibit "F"** is a copy of the interim financial statements of Index Energy Ajax prepared as at June 30, 2017 (the "**Interim Financial Statements**").

38. Attached hereto and marked as **Exhibit "G"** is a copy of the draft financial statements of Index Energy Ajax prepared as at December 31, 2016. Due to the management changes, these financial statements have not been signed.

39. Based on the Interim Financial Statements, as at June 30, 2017, the book value of the assets of Index Energy Ajax were $122,743,129.02. The most significant categories of

assets were the following:

Building	$116,773,429.50
Plant Equipment	$254,429.64
Current Assets	$2,655,150.17

40. Based on the Interim Financial Statements and the amounts owing on the credit facilities discussed below, as at June 30, 2017 the liabilities of Index Energy Ajax totalled $155,840,904.91. The most significant categories of liabilities were the following:

Syndicate Facilities (defined below)	$44,086,831.54
Index Residence Facilities (defined below)	$102,496,654
Other Accounts Payable	$3,495,517.54

Lending Syndicate

41. On or about July 15, 2013, Index Energy Ajax entered into a credit agreement (the "**Syndicate Credit Agreement**") with a syndicate of lenders composed of National Bank of Canada, Canadian Western Bank, Laurentian Bank of Canada and Business Development Bank of Canada (collectively, the "**Syndicate**"). National Bank of Canada is also the agent of the Syndicate (in that capacity, the "**Agent**").

42. Pursuant to the Syndicate Credit Agreement, the Syndicate agreed to provide Index Energy Ajax with the following credit facilities:

(a) a non-revolving construction facility in the maximum sum of $60,000,000 (the "**Construction Facility**"). The Construction Facility was payable in advances pursuant to the terms set out in the Syndicate Credit Agreement to fund the Retrofit project costs. The Syndicate Credit Agreement provides a number of events of default, including if the Retrofit was not completed by May 5, 2015 (the "**Outside Date**"); and

(b) a non-revolving term facility available once the Retrofit was satisfactorily completed, which was to consist of the balance owing under the Construction Facility. However, as set out below, the conversion to a term facility did not occur due to certain defaults in relation to the Construction Facility,

(collectively the "**Syndicate Facilities**").

43. An interest hedging facility with National Bank of Canada and Laurentian Bank of Canada as lenders (the "**Interest Hedging Facility**") was also established as required by the Syndicate Facilities.

44. Interest is payable on the Syndicate Facilities at the Canadian Dollar Offered Rate ("**CDOR**") plus 3% per annum.

45. The obligations of Index Energy Ajax under the Syndicate Facilities and the Syndicate Credit Agreement and the Interest Hedging Facility were secured by, among other things, the following:

(a) a demand debenture in the principal amount of $210,000,000 dated July 15, 2013 and charging all of the Applicant's property, assets, and undertakings, including the Property;

(b) a debenture delivery agreement dated July 15, 2013;

(c) an assignment of material contracts and an assignment of insurance, each dated July 15, 2013;

(d) a limited recourse guarantee and pledge agreement from Index Sweden (the "**Index Sweden Guarantee**") as a replacement for the limited recourse guarantee and pledge agreement from Index Residence (the "**Index Residence Guarantee**"), discussed below;

(e) a limited recourse guarantee and pledge agreement from J. Kerr;

(f) a limited recourse guarantee and pledge agreement from R. Andrews; and

(g) liquid security in the amount of $10 million provided by Index Residence (the "**Liquid Security**").

(collectively the "**Syndicate Security**").

46. Recourse under the guarantees and pledge agreements from Index Sweden, J. Kerr and

R. Andrews is limited to the shares held by those parties in Index Energy Ajax.

47. Certain waivers and accommodations were made by the Syndicate in relation to the Syndicate Facilities, as evidenced by waiver and consent agreements dated September 12, 2013, October 11, 2013 and December 13, 2013. These related primarily to deferrals in payments to the Syndicate and the financing of ongoing construction costs.

48. On or about January 28, 2015, the Syndicate and Index Energy Ajax entered into a Waiver, Consent and First Amending Agreement to the Syndicate Credit Agreement which, *inter alia*, updated the financial model and project budget and acknowledged the contribution of Index Residence of an additional $2,750,000 in December 2014.

49. The failure of HMI to complete the Retrofit as set out in the EPC Contract and the Deficiencies resulted in numerous delays, and these circumstances continue to plague Index Energy Ajax . This further resulted in the Retrofit not being completed by the Outside Date, which was a default under the Credit Agreement.

50. Accordingly, on May 12, 2015, the Agent issued a notice of default pursuant to the Syndicate Credit Agreement (the "**First Default Letter**") regarding, among other things, the failure of the Retrofit to be completed by the Outside Date and an alleged material adverse change resulting from the Deficiencies and the registration of construction liens against the Property. Attached hereto as **Exhibit "H"** is a copy of the First Default Letter.

51. On May 21, 2015, counsel to the Syndicate appointed Alvarez & Marsal Canada ULC ("**Alvarez**") as consultant for the Syndicate.

52. On October 9, 2015, Index Energy Ajax, Index Residence, R. Andrews, J. Kerr, and the Syndicate entered into an accommodation agreement (the "**First Accommodation Agreement**") whereby the Syndicate agreed to forbear from enforcing the Syndicate Security until November 30, 2015 provided that, among other things, Index Residence contributed additional funds of at least $2,600,000.

53. The First Accommodation Agreement further permitted the Index Sweden Transaction, provided that certain conditions were met, including the delivery of the Index Sweden Guarantee as a replacement to the Index Residence Guarantee. Attached hereto and marked as **Exhibit "I"** is a copy of the First Accommodation Agreement.

54. Following the expiration of the forbearance pursuant to the First Accommodation Agreement, a number of defaults remained, including the failure of the Retrofit to be completed satisfactorily. Management of Index Energy Ajax prepared a revised plan (the "**Mitigation**") to address the Deficiencies. During the period from November 30, 2015 to August 11, 2016, Index Energy Ajax was in regular contact with the Syndicate in order to advance the Mitigation, and attempt to address the various issues with the project, including the HMI Lien Claim and the Subcontractor Lien Claims.

55. On February 11, 2016, the Agent informed Index Energy Ajax that, among other things, Index Energy Ajax had failed to satisfy the conditions of the First Accommodation Agreement and that certain defaults were continuing (the "**Second Default Letter**"). Attached hereto and marked as **Exhibit "J"** is a copy of the Second Default Letter.

56. On August 12, 2016, Index Energy Ajax, Index Sweden (as the replacement guarantor and pledgor for Index Residence), R. Andrews, J. Kerr, and the Syndicate entered into a further accommodation agreement (the "**Second Accommodation Agreement**") whereby the Syndicate agreed to forbear from enforcing the Syndicate Security until December 31, 2016 (the "**Second Forbearance Date**") to allow Index Energy Ajax to implement the Mitigation Plan (as defined in the Second Accommodation Agreement) and to take steps to refinance the Syndicate Facilities. Attached hereto and marked as **Exhibit "K"** is a copy of the Second Accommodation Agreement.

57. Following the expiry of the forbearance period on December 31, 2016, and given its liquidity constraints, Index Energy Ajax missed a payment under the Interest Hedging Facility. On January 16, 2017, the Interest Hedging Facility was terminated but there remain certain outstanding amounts related thereto.

58. On January 18, 2017, the Agent sent Index Energy Ajax a letter (the "**Demand Letter**") demanding payment in full of all amounts owing to the Syndicate under the Syndicate Facilities, which at that date totalled $49,427,871.94, with interest continuing to accrue. Enclosed with the Demand Letter was a notice of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**"). Attached hereto and marked, collectively, as **Exhibit "L"** is a copy of the Demand Letter and the BIA Notice.

59. On January 23, 2017, the Agent notified Index Energy Ajax that the Agent had exercised its rights with respect to the Liquid Security (at that time in the total amount of

approximately $14.5 million), which were applied to reduce amounts outstanding under the Interest Hedging Facility and the Syndicate Facilities. The remaining amount owing to the Syndicate is approximately $44 million (plus interest and charges continuing to accrue).

60. On January 30, 2017, counsel for the Syndicate wrote to counsel for Index Energy Ajax advising that the 10 day notice period pursuant to the BIA Notice expired on that date, and that the Syndicate would extend the notice period on a day-to-day basis provided, among other things, that the Agent could terminate the notice period on one business day's prior notice in writing to Index Energy Ajax or its counsel (the "**Daily Extension Letter**"). Attached hereto and marked as **Exhibit "M"** is a copy of the Daily Extension Letter.

61. From the date of the Daily Extension Letter to the date hereof, the parties have been acting in accordance with the Daily Extension Letter, and the Agent has not given notice that the notice period is terminated.

Index Residence

62. Prior to entering into the Syndicate Credit Agreement, Index Energy Ajax had borrowed certain funds from Index Residence pursuant to a loan letter dated May 10, 2008, amended May 29, 2008, January 31, 2011 and amended and restated July 7, 2013 (as amended and restated, the "**Index Residence Credit Agreement**").

63. Pursuant to the Index Residence Credit Agreement, Index Residence made certain credit facilities initially available to Index Energy Ajax, including the following:

(a) Loan 1: a demand loan in the principal sum of $5,000,000, which at the date of the Index Residence Credit Agreement had been fully advanced; and

(b) Loan 2: a demand loan in the original principal sum of $25,366,348.47, which at the date of the Index Residence Credit Agreement had been fully advanced, together with any further funds advanced by Index Residence to Index Energy Ajax

(collectively the "**Index Residence Facilities**").

64. Absent an event of default, both of the Index Residence Facilities were payable 366 days after demand.

65. The Index Residence Facilities, and all other amounts owing pursuant to the Index Residence Credit Agreement, are secured by

(a) a general security agreement charging all present and after-acquired assets, personal property and undertakings of Index Energy Ajax; and

(b) a mortgage of the Property in the principal amount of $35,000,000,

(collectively, the "**Index Residence Security**").

66. Pursuant to a Subordination and Assignment Agreement dated July 15, 2013, Index Residence fully subordinated and assigned the Index Residence Facilities and the Index Residence Security to, and as security for, the Syndicate Facilities and the Syndicate Security.

67. The defaults in relation to the Syndicate Credit Agreement, the Interest Hedging Facility, and the Syndicate Security discussed above also constitute defaults under the Index Residence Credit Agreement and Index Residence Security.

68. As at the date hereof, the total amount owing by Index Energy Ajax to Index Residence pursuant to the Index Credit Agreement and the Index Security totals $102,496,654. Attached hereto and marked as **Exhibit "N"** is a copy of a ledger showing a breakdown of the total amount owing.

Other Secured Creditors

69. Attached hereto and marked as **Exhibit "O"** are the registrations made against Index Energy Ajax pursuant to the *Personal Property Security Act* (Ontario) as at March 14, 2017 and as updated to August 3, 2017. Other than the Syndicate Security and the Index Residence Security, the only other registration is by Caterpillar Financial Services Limited ("**Caterpillar**"), which is the lessor of a 2014 Caterpillar 950K wheel loader (the "**Loader**").

Lien Claimants

70. As noted above, there were a number of construction liens including the HMI Lien registered against the Biomass Facility by various contractors pursuant to the *Construction Lien Act* (Ontario) (the "**CLA**"). As of March 24, 2017, based on the consent order of Justice Salmers obtained on that date, Index Energy Ajax has paid $7,053,890 (the "**Holdback Funds**") plus HST into Court to vacate such construction

lien claims other than the HMI Lien Claim.

Other Creditors

71. I am advised by Shannon Crumb, the accounting manager of Index Energy Ajax, that Index Energy Ajax is indebted to a number of suppliers associated with its ongoing operations, including trade suppliers and professional and administrative services providers. As at August 8, 2017, these obligations totalled $4,002,654.92.

72. A number of the suppliers to Index Energy Ajax are vital to its ongoing operations, its potential value in a SISP, and its ultimate success as a restructured business (the "**Required Suppliers**"). Some of the Required Suppliers are very small and due to the nature of their business are highly reliant on Index Energy Ajax. It may be necessary for them to be paid all or a portion of the obligations arising prior to the date of the Initial Order, if granted, to ensure their survival and their continued ability to provide supplies to Index Energy Ajax.

73. Members of the Index Group are minority shareholders of two of the Required Suppliers, Durham Disposal Services Ltd. (**"Durham**") and Simtor Environmental Ltd. ("**Simtor**" together with Durham, the "**Related Suppliers**"), but these Related Suppliers are not majority controlled by any member of the Index Group.

74. I am advised by Derek Blais that Durham is the sole contractor responsible for removing the "fly ash" and "bottom ash" (the by-products created during the power generation cycle) created by the Biomass Facility. I understand that Simtor supplies wood to Index Energy Ajax and that it is the best quality wood supply for the Biomass Facility at the most affordable price on the market. I verily believe that the operation of the Biomass Facility, and the maximising of value for the stakeholders, would be materially prejudiced if the Related Suppliers ceased to carry on business. I also have been advised by Gordon Kerr, a previous officer of Index Energy Ajax, that the Related Suppliers are subject to government compliance requirements which require capital expenditures which, if not met, will result in them ceasing to carry on business. I understand that the Related Suppliers may be unable to afford these capital expenditures without being paid the amounts they are owed by Index Energy Ajax and therefore if the Related Suppliers do not receive a portion of the amounts owing to them they may be required to shut down operations.

Shareholder Loans

75. Index Sweden has extended numerous unsecured shareholder loans to Index Energy Ajax in excess of $4,000,000 in aggregate to permit the Applicant to continue operations while addressing the Deficiencies. Index Sweden is unwilling to inject further funds into Index Energy Ajax unless it restructures.

Employees

76. I am advised by Derek Blais that as of the date of this affidavit, Index Energy Ajax employs approximately 38 fulltime employees and two freelance workers as required, all of which are located in Ontario and none of whom are members of a union. Index Energy Ajax offers its employees an RRSP matching program (to a maximum of 3% of their salary per year), but does not maintain a pension plan. Employees are also provided with an extended health benefits plan.

77. As of the date of this affidavit, all scheduled payroll payments have been made as due.

Landlords

78. I am advised by Shannon Crumb, the accounting manager at Index Energy Ajax that the Applicant rents warehouse space at 2520 Haines Rd. Mississauga, Ontario for $1,819.30 per month (inclusive of HST). The rent accrued for May, June and July 2017, of approximately $5,457.90, has not been paid.

Canada Revenue Agency and Ontario Ministry of Finance

79. All amounts due from Index Energy Ajax to the Canada Revenue Agency ("**CRA**") and the Ontario Ministry of Finance for

(a) employee source deductions,

(b) sales tax, and

(c) corporate tax (other than as noted below)

are current and continue to be paid in the ordinary course of business, with the exception of approximately $33,201.61 in employee source deductions due August 10, 2017, that was not paid due to current liquidity constraints. However, this amount is intended to be paid using funds from the first advance of the DIP Financing if the Initial

Order is granted.

INDEX ENERGY AJAX IS INSOLVENT

80. Based on the foregoing, I do verily believe that Index Energy Ajax's liabilities exceed the current value of its assets. Index Energy Ajax has insufficient funds to meet its next payroll obligations or pay its other debts. The Applicant has ceased to meet its obligations as they become due and owing in the ordinary course of business. Index Energy Ajax will not be able to continue to operate unless CCAA protection is granted and the DIP Financing is approved.

PLAN OF ARRANGEMENT AND RESTRUCTURING

81. While the Retrofit has suffered a number of set-backs, including those related to the HMI Lien Claim, I believe that the Biomass Facility and Index Energy Ajax's business plan are viable. At present, the major obstacles facing Index Energy Ajax are the following:

(a) the demands of the Syndicate for the repayment of the Syndicate Facilities;

(b) the ongoing operational reliability issues at the Biomass Facility and the need for further investment to correct the Deficiencies and bring electricity production to an acceptable level for a prolonged and uninterrupted period of time;

(c) a shortage of liquidity to sustain the Retrofit and the ongoing operations; and

(d) the need to address the HMI Lien Claim so that new secured financing can be obtained.

82. While the precise terms of a restructuring will need to be finalised, Index Energy Ajax has taken a number of steps to address the current problems:

(a) Index Energy Ajax undertook an extensive management change in July and August 2017 to improve operations and profitability, including the addition of new management; and

(b) Index US is currently in negotiations with the Syndicate to reach agreement on a mutually acceptable SISP that would include a stalking horse bid. This would also permit further advances under the DIP Financing on a consensual basis (subject to further court approval).

83. The granting of an initial order is necessary to allow Index Energy Ajax the necessary time and breathing room to formulate and run a SISP to ensure that sufficient value is obtained for the stakeholders and to ensure that the Biomass Facility can continue as a going concern. I believe that a liquidation or receivership of the Biomass Facility would result in a disruption in the operations and remediation, a loss of value, and materially lower returns to the creditors. Accordingly, I believe that these proceedings and the relief being sought are in the interest of all stakeholders.

MANAGEMENT CHANGES

84. In July, 2017 Index Energy Ajax retained Joseph Aletto as a consultant. I am informed by Mr. Aletto, and believe, that he is an engineer with nearly 40 years of experience working in various capacities on power-generation facilities, including the design, construction, commissioning, and maintenance of various power-generation facilities in the United States and the United Kingdom.

85. Joseph Aletto was appointed as an officer of Index Energy Ajax in the role of Chief Executive Officer and Derek Blais, a former employee with extensive experience with the Biomass Facility, has returned as Plant Manager and was appointed as President and Secretary of Index Energy Ajax.

86. Given Aletto's strong qualifications and experience with power generation, plant design and maintenance, one of the first tasks he undertook with management was the development of a comprehensive plan and process to identify, prioritize and remedy the various issues facing the Biomass Facility, including increasing output and reliability, and reducing utility costs. Aletto has identified a number of areas where substantial savings and improvements can be made, including adding redundancy to the feed supply, exploring alternate steam-generation methods, and looking to enter into utility agreements with nearby industries. By having the appropriate expertise, and a clear plan forward, I believe that Index Energy Ajax can be a profitable, reliable, and sustainable going-concern enterprise once restructured.

87. It is clear that in order to completely achieve the modifications required, Index Energy Ajax must attract either new investment or a purchaser willing to inject further capital, given that the Syndicate, Index Residence, and Index Sweden have each stated that they will not provide further funding based on the current situation.

CASH-FLOW STATEMENTS

88. The Applicant has conducted a cash flow analysis to determine the amount required to finance the Applicant's operations for the next 13 weeks assuming the relief sought is granted, which the proposed Monitor, GT, has reviewed. The 13-week cash flow analysis is attached at **Exhibit "P"** to this my affidavit.

89. Based on the cash flow projections, if the DIP Financing is approved, Index Energy Ajax will have enough liquidity to meet its cash flow needs through to the end of the 13-week forecast period.

RELIEF SOUGHT

90. Index Energy Ajax seeks the Initial Order under the CCAA in the form of the model order adopted for proceedings commenced in Toronto, subject to certain changes as reflected in the proposed form of order contained in the Application Record.

DIP Financing

91. As noted above, Index Energy Ajax requires debtor-in-possession financing to provide an immediate source of cash to stabilize its operations and continue to address the Deficiencies to improve cash flow and to maximize returns for stakeholders.

92. In April 2017, once Index Energy Ajax determined that it required DIP financing, it engaged GT to locate and secure appropriate financing. The Syndicate declined to provide DIP financing.

93. As described in the Pre-Filing Report of the Proposed Monitor (the "**Pre-Filing Report**") the Monitor assisted the Company with an extensive solicitation process to locate an appropriate DIP financier. Among other things, the Proposed Monitor contacted approximately nine prospective lenders, and, once they had signed a non-disclosure statement, provided them with due diligence information. The Proposed Monitor also had numerous discussions with prospective lenders. Four prospective lenders submitted term sheets and thereafter improved term sheets.

94. After consultation with Index Sweden and Index Residence, one party was selected as a potential DIP lender (the "**Potential Lender**"). An indicative term sheet was entered into with the Potential Lender, Index Sweden (on behalf of Index Energy Ajax given the lack of liquidity at Index Energy Ajax) paid a $75,000 work fee to the Potential Lender, and negotiations ensued regarding a DIP credit agreement. However, the Potential Lender

and Index Energy Ajax were not able to come to terms on a credit agreement and unfortunately those negotiations ceased approximately 48 hours prior to the time that I am swearing this affidavit. As an alternative, Index US has agreed to act as DIP Lender on terms more favourable to Index Energy Ajax than those offered by the Potential Lender.

95. The DIP Lender has agreed to provide Index Energy Ajax with DIP Financing, subject to certain conditions. Accordingly, Index Energy Ajax has made arrangements, subject to the approval of the Court and the satisfaction of certain other conditions, to obtain up to a maximum of $5,000,000 (the "**Principal Amount**") pursuant to a credit agreement dated as of August 14, 2017 (the "**DIP Credit Agreement**"). However, the Applicant has agreed with the Syndicate that a maximum amount of $1.6 million will be advanced prior to the Comeback Hearing, and approval of a mutually acceptable SISP or a further order of the Court. The DIP Credit Agreement is attached at **Exhibit "Q"** to this my affidavit.

96. Other key terms of the DIP Financing, if approved, are as follows:

(a) **Interest:** Index Energy Ajax will pay interest at 6% per annum, calculated daily and payable monthly in arrears, on all advances.

(b) **Term:** The term of the DIP Financing will end on the earlier of: a) 6 months after the Closing Date (as defined in the DIP Credit Agreement), b) the date the stay of proceedings granted under the Initial Order expires, is terminated or lifted, and c) the date on which the DIP Lender demands repayment of the DIP Facility after the occurrence of an Event of Default (as defined in the DIP Credit Agreement).

(c) **Security:** The DIP Financing will be secured by a priority charge (the "**DIP Lender's Charge**"), which charge will attach to all of the Index Energy Ajax property, other than the Holdback Funds to the extent they are subject to valid lien claims, to rank ahead of all secured and unsecured creditors of Index other than Caterpillar in relation to the Loader or the proceeds thereof.

97. The funds available from the DIP Financing and specifically the $1.6 million to be advanced prior to the Comeback Hearing, will be used to meet Index Energy Ajax's immediate funding requirements during these proceedings in accordance with the cash flow projection discussed above, including costs and expenses in connection with these proceedings. Index Energy Ajax consulted with the proposed Monitor on the DIP

Financing and believes that the DIP Financing will meet Index Energy Ajax 's funding requirements during the CCAA process.

98. As noted in the cash-flow projections, Index Energy Ajax requires that the DIP Facility be available immediately in order to have sufficient liquidity. Without the protections set out in the DIP Facility, the Index Group is unwilling to invest further funds in Index Energy Ajax.

The Proposed Monitor

99. In January 2017, GT was engaged as an adviser by Index Energy Ajax. As detailed in the Pre-Filing Report, GT assisted Index Energy Ajax with, among other things, the preparation of a financial forecast model.

100. In addition, as described above and in the Pre-Filing Report, GT assisted Index Energy Ajax securing the DIP Financing and GT also assisted the company in preparing for a potential CCAA filing including the preparation of a cash flow projection.

101. In accordance with the requirements of the CCAA, GT is a licenced insolvency trustee and has consented to act as Monitor (the "**Monitor's Consent**") if so appointed. A copy of the Monitor's Consent is attached to this my affidavit as **Exhibit "R"**.

Required Suppliers

102. As noted above, there are a number of Required Suppliers, including the Related Suppliers who are vital to the ongoing operations of Index Energy Ajax. Accordingly, Index Energy Ajax seeks the authority to pay the Required Suppliers such amounts as are required, including amounts owing prior to the date of the Initial Order, to ensure continued supply and a successful restructuring. In order to ensure transparency, and that such payments are limited to those which are necessary, the form of Initial Order sought requires that any such payments must be reviewed and approved by the Monitor prior to being made and includes a cap on the aggregate amount that may be paid to Required Suppliers.

Charges

103. The Applicant seeks the following charges in the proposed Initial Order: an Administration Charge in the maximum amount of $1,000,000; the DIP Lender's Charge; and a Directors' Charge in the amount of $250,000 (each as defined below, together, the

“**Charges**”). The Applicant proposes that the Charges attach to all of its property, other than the Holdback Funds to the extent they are subject to valid lien claims, to rank ahead of all secured and unsecured creditors of Index other than Caterpillar in relation to the Loader or the proceeds thereof.

(a) Administration Charge

104. It is proposed that the Monitor, its counsel, and the Applicant’s counsel, be granted a court-ordered charge on the assets of Index Energy Ajax as security for their fees and disbursements relating to services rendered in respect of Index Energy Ajax in an amount not to exceed $1,000,000 (collectively, the “**Administration Charge**”). The Administration Charge is intended to cover the fees of the Monitor, its counsel, and the Applicant’s counsel associated with the preparation for these CCAA proceedings and activities during the proceedings. The Administrative Charge will rank in priority to the DIP Lender’s Charge.

105. I believe that the amount of the proposed Administration Charge is commensurate with the complexity of Index Energy Ajax ’s business and the tasks required to effect a successful restructuring.

(b) DIP Lender’s Charge

106. The DIP Financing and the DIP Lender’s Charge are described in detail above. The granting of the DIP Lender’s Charge is a condition precedent under the DIP Credit Agreement and is an integral part of the negotiated consideration for the DIP Financing.

(c) Directors and Officers Indemnification and Charge

107. The proposed Initial Order contemplates a stay of proceedings against the directors and officers of the Applicant (the “**D&Os**”) relating to obligations of Index Energy Ajax . The proposed Initial Order also contemplates the indemnification of the D&Os and the creation of a charge on the assets of the Applicant (the “**Directors’ Charge**”), to the maximum amount of $250,000, to protect such individuals from all obligations and liabilities that they may incur as D&Os of the Applicant in the CCAA proceedings. The Director’s Charge will rank subordinate to the DIP Lender’s Charge. Index Energy Ajax does not have any Directors and Officers insurance in place.

108. The D&Os are intimately familiar with the Biomass Facility, the Retrofit, the Deficiencies, the Mitigation and the business of Index Energy Ajax generally. Having the D&Os remain

and assist in the restructuring will increase the prospect of a successful restructuring, which in turn will maximize value for stakeholders. To address legitimate concerns expressed by the D&Os with respect to their potential exposure if they continue to act (rather than resign before a significant portion of the liability can be triggered), the D&Os have requested reasonable protection against personal liability if they are to remain and assist in the restructuring activities. In light of the statutory and other liabilities to which the D&Os may be exposed in the future and having regard to the overall indebtedness (actual and contingent) of Index Energy Ajax, the D&Os' indemnity and charge is an important protection to provide to them, but at the same time a fair balancing of the interests of various stakeholders.

CONCLUSION

109. Index Energy Ajax requires the assistance and protection of this Court urgently to stabilize its business and obtain additional funding on a priority basis through the DIP Financing. The HMI Lien Claim has prevented Index Energy Ajax from otherwise obtaining funds on a priority secured basis to fund ongoing operations.

110. Once funding is secured and Index Energy Ajax has sufficient liquidity to stabilize its operations, Index Energy Ajax intends to request authority from the Court to proceed with a SISP to preserve value for all stakeholders and to allow Index Energy Ajax to emerge as a restructured business.

111. I swear this affidavit in support of an application by Index Energy Ajax for protection under the CCAA and for no other or improper purpose.

SWORN BEFORE ME, this 15th day of August, 2017.	
A notary for taking affidavits in and for the courts in Stockholm, Sweden Björn Sandin	RICKARD HARALDSSON

NOTARIUS PUBLICUS I STOCKHOLM
BJÖRN SANDIN

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
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PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF RICKARD HARALDSSON
(sworn August 15, 2017)

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Lawyers for Index Energy Mills Road Corporation

This is **Exhibit "B"**
to the affidavit of **Derek Blais** sworn
before me this 1st day of September,
2017

....
A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE REGIONAL	)	WEDNESDAY, THE 16TH
	)	
SENIOR JUSTICE MORAWETZ	)	DAY OF AUGUST, 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**")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Rickard Haraldsson dated and notarized as of August 15, 2017 (the "**Haraldsson Affidavit**") and the Exhibits thereto, and the pre-filing report dated August 15, 2017 (the "**Pre-Filing Report**") of Grant Thornton Limited ("**GT**") in its capacity as the proposed monitor of the Applicant (the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, the proposed Monitor, Index Equity US LLC (the "**DIP Lender**"), the senior lending syndicate to the Applicant (the "**Syndicate**") represented by National Bank of Canada as Agent (the "**Agent**") and on reading the consent of GT to act as the Monitor,

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses 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; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course, prior to, on or 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 including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant;

provided that, to the extent such expenses were incurred prior to the date of this Order, the Applicant shall only be entitled to pay such amounts up to a maximum aggregate amount of $450,000 if they are determined by the Applicant, in consultation with the Monitor, to be necessary to the continued operation of the Business or preservation of the Property and such payments are approved in advance by the Monitor or by further Order of the Court. For greater certainty the maximum aggregate amount noted above does not include any amounts payable in accordance with paragraph 28 of this Order.

7. **THIS COURT ORDERS** that the Applicant 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, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein or in the Definitive Documents (as defined below), the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date, other than the payment of interest in the ordinary course to the Agent; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined below), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $100,000.00 in any one transaction or $500,000.00 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing, all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including September 15, 2017, or such later date as this Court may order (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 Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, partnership, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, including without limitation the feed-in-tariff contract between the Applicant and the Independent Electricity System Operator dated May 5, 2010, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, 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 Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **THIS COURT ORDERS** that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. **THIS COURT ORDERS** that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $250,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

21. **THIS COURT 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 Applicant's 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 that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that GT is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Applicant with the powers and obligations set out in the CCAA and as set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a periodic basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, to be agreed to by the DIP Lender;

(e) advise the Applicant in its development of the Plan and any amendments to the Plan;

(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's Business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other Persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it

pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA and as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or 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 the Monitor by the CCAA or any applicable legislation.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements incurred prior to or following the date hereof, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings, subject to any assessments of the Court. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

29. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

31. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicant's working capital requirements, restructuring costs and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $1,600,000 prior to the issuing of an order providing for a sales and investment solicitation

process acceptable to the Agent in these proceedings, and $5,000,000 thereafter, unless permitted by further Order of this Court.

32. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in credit agreement between the Applicant and the DIP Lender dated August 14, 2017 (the "**DIP Credit Agreement**"), filed.

33. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to execute and deliver such loan 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 Applicant is hereby authorized and directed to pay and perform, as applicable, all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Credit Agreement and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

35. **THIS COURT ORDERS** that, 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;

(b) upon the occurrence of an event of default under the DIP Credit Agreement or the Definitive Documents, as applicable, or the DIP Lender's Charge, the DIP Lender may cease making advances to the Applicant and, upon 10 days notice to the Applicant, the Monitor and the Agent, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the DIP Credit Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

36. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any advances made under the DIP Credit Agreement or the Definitive Documents.

~~37. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Credit Agreement, the Definitive Documents, or the DIP Lender's Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender whether under this Order (as made prior to the Variation), under the DIP Credit Agreement or the Definitive Documents, with respect to any advances made prior to the DIP Lender being given notice of the Variation and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender's Charge) for all advances so made.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $1,000,000);

Second – DIP Lender's Charge; and

Third – Directors' Charge (to the maximum amount of $250,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as

against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, s, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person other than:

(a) the funds paid into Court pursuant to the Order of Justice Salmers dated March 24, 2017 in court file number 93054/15; and

(b) the interest of Caterpillar Financial Services Limited in the 2014 Caterpillar 950K loader, having vehicle identification number CAT0950KLR4A02402, and any proceeds thereof.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the DIP Credit Agreement, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to 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 Encumbrances, 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) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Credit Agreement or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall 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 DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicant pursuant to this Order, the DIP Credit Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

LENDING SYNDICATE

44. **THIS COURT ORDERS** that the Syndicate shall be provided with all financial or other reports provided by the Applicant or the Monitor to the DIP Lender on such terms and subject to such confidentiality provisions as may be agreed upon by the Monitor and the Agent.

45. **THIS COURT ORDERS** that the Applicant and the Monitor shall provide reasonable access to the Property and the Business, and provide responses to the reasonable inquiries of the Agent and its financial advisor Alvarez & Marsal Canada ULC ("**A&M**") to allow A&M to properly monitor the affairs of the Applicant and the Business, and to report the same to the Agent.

46. **THIS COURT ORDERS** that, for greater certainty, the Agent may provide to the Syndicate all reports and other information received by the Agent, its counsel or A&M pursuant to this Order, subject to any confidentiality provisions agreed upon by the Monitor and the Agent pursuant to paragraph 44 of this Order.

SERVICE AND NOTICE

47. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The Globe and Mail* (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those 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.

48. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.grantthornton.ca/IndexEnergy.

49. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

50. **THIS COURT ORDERS** that the Applicant, the Monitor and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicant's creditors or other interested parties and their

advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulation, Reg. 81000-2-175 (SOR/DORS).

51. **THIS COURT ORDERS** that the 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**"). The Monitor shall post the Service List, as may be updated from time to time, on the Case Website as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

52. **THIS COURT ORDERS** that Confidential Appendix "1", Confidential Appendix "2" and Confidential Appendix "3" attached to the Pre-Filing Report be and are hereby sealed and shall be treated as confidential pending further order of this Court.

53. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

54. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

55. **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.

56. **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 Applicant 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.

57. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

58. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.

[signature] RSJ

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

AUG 16 2017

PER / PAR: [initials]

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

INITIAL ORDER

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Lawyers for Index Energy Mills Road Corporation

This is **Exhibit "C"**
to the affidavit of **Derek Blais** sworn
before me this 1st day of September,
2017

....
A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019.

CITATION: Index Energy Mills Road Corporation (Re), 2017 ONSC 4944
COURT FILE NO.: CV-17-580840-00CL
DATE: 2017-08-23

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: 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 INDEX ENERGY MILLS ROAD CORPORATION

BEFORE: Regional Senior Justice G.B. Morawetz

COUNSEL: *Shane Kukulowicz*, for the Index Energy Mills Road Corporation

Brian Empey and *Melaney Wagner,* for Grant Thornton Ltd., Proposed Monitor

Grant Moffat, for the National Bank of Canada, as Agent for a Syndicate of Lenders

David Bish, for DIP Lender (Index Equity US LLC), Index Equity Sweden AB and Index Residence AB

HEARD and ENDORSED: August 16, 2017
TYPED REASONS RELEASED: August 23, 2017

ENDORSEMENT

Overview

[1] This application is brought by Index Energy Mills Road Corporation ("Index Energy Ajax" or the "Applicant") for an order (the "Initial Order") pursuant to the Companies' Creditors Arrangement Act (the "CCAA").

[2] In addition to requesting a stay of proceedings and authorization to carry on business in a manner consistent with the preservation of its property, the Applicant also requests that Grant Thornton Ltd. ("GTL") be appointed as monitor (the "Monitor"); authorization for the Applicant to borrow $5 million pursuant to a credit facility (the "DIP Facility") as interim financing from Index Equity US LLC ("Index US"), in such capacity, (the "DIP Lender") with a maximum amount of $1.6 million being advanced by the DIP Lender prior to the CCAA comeback hearing (the "Comeback Hearing"); and a sealing order with respect to certain confidential information described in the pre-filing report of the Monitor (the "Pre-Filing Report").

[3] Index Energy Ajax owns and operates an electrical co-generation facility located in Ajax, Ontario that generates electricity by burning wood waste from the construction industry to produce steam to drive turbine generators (the "Biomass Facility").

[4] Index Energy Ajax has encountered difficulties in retrofitting the Biomass Facility and energy output has been lower and operational costs higher than anticipated. Index Energy Ajax has also been engaged in litigation with its former engineering, procurement and construction contractor, HMI Construction Inc. ("HMI"), and has also been forced to deal with numerous liens arising from the construction associated with the Biomass Facility, including a lien claim of approximately $31.3 million registered by HMI (the "HMI Lien Claim"). The sum of $7,053,890 plus HST has been paid into court as an agreed upon holdback (the "Holdback Funds").

[5] Index Energy Ajax is in default on various obligations to a syndicate of lenders comprised of National Bank of Canada, Canadian Western Bank, Laurentian Bank of Canada and Business Development Bank of Canada (collectively, the "Syndicate"). National Bank of Canada is the agent of the Syndicate (in that capacity, the "Agent"). The Syndicate has made demand for payment of amounts in excess of $45 million. Mr. Rickard Haraldsson, a Director of Index Energy Ajax has stated in his affidavit that Index Energy Ajax is insolvent.

[6] The Applicant is of the view that its underlying business remains strong, but that it ultimately requires a restructuring to inject new funds into its operations to address the various deficiencies in the Biomass Facility. Accordingly, Index Energy Ajax states that it requires protection under the CCAA to allow it a period of time to develop and implement a sales and investment solicitation process ("SISP") and to access interim financing on a priority basis to preserve value for all stakeholders and ensure its viability as a going concern.

[7] The Applicant has advised that it is currently in negotiations with Index US and the Syndicate to reach agreement on terms of a mutually acceptable SISP, which would include a stalking-horse bid, and to allow further advances under the DIP Facility beyond the initial permitted draw amount.

The Facts

[8] The facts have been set out in detail in the affidavit of Rickard Haraldsson (the "Haraldsson Affidavit").

[9] Index Energy Ajax was incorporated pursuant to the laws of Ontario on November 7, 2006. Its registered office is located at 170 Mills Road, Ajax, Ontario.

[10] Index Energy Ajax is owned by three shareholders. Index Energy Sweden is the owner of 70% of the common shares, R. Andrews Investment Company, LLC ("R. Andrews") is the owner of 10% of the common shares and Jacqueline Kerr ("J. Kerr") is the owner of 20% of the common shares.

[11] Index Energy Ajax was incorporated to retrofit the existing energy plant located in Ajax (the "Property") to become the Biomass Facility.

[12] Index Energy Ajax entered into a feed-in-tariff with the Ontario Power Authority in 2010 (the "FIT Contract"). In order to retrofit the Biomass Facility, Index Energy Ajax entered into a construction contract with HMI in 2012 (the "EPC Contract"). Since 2015, there has been substantial litigation between Index Energy Ajax and HMI with regard to the HMI Lien Claim.

[13] In March 2017 Index Energy Ajax paid an agreed holdback amount of $7,053,890 plus HST (the "Holdback Funds") into court and all subcontractor lien claims were vacated from title to the Property

Index Energy Ajax's Creditors

[14] In 2013, Index Energy Ajax entered into a credit agreement (the "Syndicate Credit Agreement") with the Syndicate. Pursuant to the Syndicate Credit Agreement, the Syndicate agreed to provide a non-revolving construction facility in the maximum sum of $60 million and a non-revolving term facility once the retrofit was satisfactorily completed (collectively, the "Syndicate Facilities").

[15] Index Energy Ajax has been in default of the Syndicate Agreement since at least May 2015.

[16] On January 18, 2017, the Agent sent Index Energy Ajax a demand letter (the "Demand Letter") demanding full payment of all amounts owing to the Syndicate under the Syndicate Facilities, which at that date totaled $49,427,871.94, with interest.

[17] Other creditors include Index Residence for an amount in excess of $102 million and trade creditors for an amount in excess of $4 million.

[18] The proposed monitor has filed a pre-filing report which details the efforts Index Energy Ajax has taken, with the assistance of the Monitor, to solicit an appropriate DIP financier. After consulting with Index Sweden and Index Residence, one party was selected as a potential DIP lender, however, after protracted negotiations, the parties were not able to come to terms. As an alternative, Index US has agreed to act as DIP Lender with the consent of the Syndicate, on terms more favourable to Index Energy Ajax than those offered by this potential lender. Details are provided in the Pre-Filing Report at paragraphs 46-53 and in the Haraldsson Affidavit at paragraph 94.

[19] The DIP Lender has agreed to provide Index Energy Ajax with a DIP Facility in order for Index Energy Ajax to meet its immediate funding requirements.

[20] The DIP Facility, extended by the DIP Lender is the maximum amount of $5 million (the "Principal Amount") with a maximum amount of $1.6 million being advanced by the DIP Lender prior to the CCAA Comeback Hearing pursuant to the DIP Credit Agreement.

[21] The DIP Facility requires that the DIP Lender receive a court ordered priority charge over the assets of Index Energy Ajax (the "DIP Lender's Charge") which Charge will attach to all of the Index Energy Ajax Property other than the Holdback Funds, to rank ahead of all secured and unsecured creditors of Index Energy Ajax other than Caterpillar Financial Services Limited, who has a specific security interest over a construction loader (the "Loader").

The Law

[22] The CCAA applies to a "debtor company" with total claims against it for more than $5 million. I am satisfied that Index Energy Ajax is such a "debtor company" and is entitled to relief under the CCAA.

[23] I am also satisfied that Index Energy Ajax is insolvent. Index Energy Ajax's liabilities exceed the current value of its assets and Index Energy Ajax has insufficient funds to pay its debts and has ceased to meet its obligations as they become due.

[24] I am also satisfied that Index Energy Ajax has met the other threshold requirements include the filing of cash-flow statements required by Section 10 of the CCAA. Further, since the chief place of business of Index Energy Ajax is Ajax, Ontario, this court has jurisdiction to hear this application.

[25] I am also satisfied that it is both necessary and appropriate to grant a stay of proceedings to Index Energy Ajax. The stay is crucial as it preserves the status quo among the stakeholders while Index Energy Ajax stabilizes operations and considers its alternatives. Index Energy Ajax has indicated that it wishes to embark on a SISP and a stay is necessary to allow the time for the SISP to unfold.

[26] Index Energy Ajax also seeks authorization to pay pre-filing expenses up to the amount of $450,000 if it is determined, in consultation with the Monitor, to be necessary for the continued operation of the business or preservation of the Property.

[27] Index Energy Ajax takes the position that the continued availability of supplies is necessary to ensure a successful SISP and ultimate emergence of a restructured business in some form. Mr. Haraldsson states that a number of the suppliers to Index Energy Ajax are vital to its ongoing operations and it may be necessary for them to be paid all or a portion of the obligations arising prior to the date of the Initial Oder to ensure their survival and their continued ability to provide supplies to Index Energy Ajax.

[28] Mr. Haraldsson states that the operation of the Biomass Facility, and the maximizing of value for the stakeholders would be materially prejudiced if the required suppliers ceased to carry on business and ceased to supply.

[29] Accordingly, Index Energy Ajax seeks authority to pay such amounts as they are required, including amounts owing prior to the date of the Initial Order, to ensure continued supply and successful restructuring.

[30] There is authority to authorize an applicant to pay certain amounts, including pre-filing amounts to suppliers where the applicant is not seeking a charge in respect of critical suppliers (see: *Cinram International Inc.*, 2012 ONSC 3767 (Ont. SCJ [Comm. List]), at para. 68 of Schedule "C", ("Cinram") and *Smurfit-Stone Container Canada Inc.*, 2009 CanLII 2493 (Ont. SCJ [Comm. List], at para. 21 ("Smufit-Stone")).

[31] In granting this authority, the courts have considered a number of factors, including:

(a) whether the goods and services are integral to the business of the applicants;

(b) the applicants dependency on the uninterrupted supply of the goods or services;

(c) the fact that no payments would be made with the consent of the monitor;

(d) the monitor's support and willingness to work with the applicant to ensure that payments to suppliers in respect of pre-filing liabilities are minimized;

(e) whether the applicant has sufficient inventory of the goods on hand to meet its needs; and

(f) the effect on the debtors' ongoing operations and ability to restructure if it were unable to make pre-filing payments to their critical suppliers.

[32] In these circumstances, I have been persuaded that it is both necessary and appropriate to provide the requested authorization to Index Energy Ajax.

[33] Pursuant to section 11.7 of the CCAA, the court is required to appoint a monitor. GTL has consented to its appointment as Monitor in this case and I am satisfied that it is appropriate to appoint GTL as Monitor.

[34] The proposed Initial Order provides for the following charges, in the following priority:

(a) First - the Administration Charge (to the maximum amount of $1 million);

(b) Second – the DIP Lender's Charge; and

(c) Third – the Director's Charge (to the maximum amount of $250,000).

[35] The Applicant proposes that the Administration Charge rank in priority to the DIP Lender's Charge. The Applicant proposes that the Charge attach to all of its Property, other than the Holdback Funds, to the extent they are valid claims to rank in priority to all secured and unsecured creditors of the Applicant, other than Caterpillar in relation to the Loader or the proceeds thereof.

[36] With respect to the DIP Facility, Index Energy Ajax is seeking approval of a $5 million DIP Facility. The DIP Facility would be secured by a DIP Lender's Charge, which would attach to all of the Applicant's Property, other than the Holdback Funds, to rank ahead of all secured and unsecured creditors of the Applicant, other than Caterpillar in relation to the Loader or the proceeds thereof and subject only to the Administration Charge.

[37] As previously noted, the granting of the DIP Lender's Charge is condition precedent under the DIP Credit Agreement and I am satisfied that it is an integral part of the negotiating consideration of the DIP Facility.

[38] The court has jurisdiction to grant a priority DIP financing charge pursuant to section 11.2 of the CCAA.

[39] Subsection 11.2(4) of the CCAA sets out the factors to be considered by the court in determining whether to grant a priority DIP financing charge. The factors are not exhaustive and in *Canwest Global Communications Corp. (Re)*, [2009] O.J. No. 4286 (SCJ) ("Canwest"), Pepall J. (as she then was) stressed the importance of meeting the following three criteria:

(a) whether notice has been given to secured creditors likely to be affected by the security of the charge;

(b) whether the amount to be granted under the DIP financing is appropriate and required having regard to the debtor's cash-flow statement; and

(c) whether the DIP charge secures an obligation that existed before the order was made (which it should not).

[40] In this case, I have concluded that the proposed DIP Lender's Charge satisfies the relevant criteria and should be granted. In arriving at this conclusion, I have considered the following:

(i) The secured creditors who would be primed by the proposed DIP Lender's Charge, namely the Syndicate, Index Residence and HMI were given notice of the proposed DIP Lender's Charge. Caterpillar, the secured creditor who will not be primed, was not given notice;

(ii) The maximum amount of the DIP Facility is appropriate based on the anticipated cash requirements, as reflected in the cash-flow projections prepared with the assistance of GTL. The amount advanced under the DIP Facility is limited to $1.6 million until the Comeback Hearing, when more comprehensive service will have occurred;

(iii) Management of Index Energy Ajax's business and affairs will have the benefit of additional oversight and consultation provided by the Monitor;

(iv) It is conceivable that the DIP Facility will enhance the value expected to be available for all stakeholders.

[41] The Proposed Initial Order, contemplates the indemnification of the Applicant's directors and officers, the creation of a Directors' Charge and a related stay of proceedings in respect of claims against the directors and officers. The statutory authority for the granting of this relief is found in sections 11.03 and 11.51 of the CCAA.

[42] I am satisfied that it is appropriate to extend coverage to the directors and officers and that it is necessary to grant the requested Charge as Index Energy Ajax does not have any directors' and officers' insurance. This relief is accordingly granted.

[43] The Pre-Filing Report contains certain appendices which the Applicant regards as sensitive commercial information relating to the process undertaken to obtain DIP financing and the optimization plan of the Applicant. The Applicant is of the view that if publically available, this information could have a material detrimental effect on the Applicant's restructuring. Having considered the guidance provided by the Supreme Court of Canada in *Sierra Club of Canada* v. *Canada (Minister of Finance)*, (2002) 2 S.C.R. 522, I am satisfied that it is appropriate, in order to protect the integrity and fairness of the process, to grant an order sealing the confidential appendices.

Summary

[44] In the result, the Initial Order is granted in the form requested by Index Energy Ajax. The Comeback Hearing has been scheduled before me on Monday, September 11, 2017 at 8:30 a.m.

Regional Senior Justice G.B. Morawetz

Date: August 23, 2017

This is **Exhibit "D"**
to the affidavit of **Derek Blais** sworn
before me this 1st day of September,
2017

....
A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019

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

Attention: Michael Creber / Harbir Gill
Email: michael.creber@ca.gt.com / harbir.gill@ca.gt.com
Fax: 1-416-360-4949

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.

This is **Exhibit "E"**
to the affidavit of **Derek Blais** sworn before me this 1st day of September, 2017

....
A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade
Commissioner, etc., Province of Ontario, while a Student-at-Law.
Expires April 13, 2019

ASSET PURCHASE AGREEMENT

INDEX ENERGY MILLS ROAD CORPORATION

as Seller

- and -

INDEX RESIDENCE AB (PUBL)

as Buyer

September 1, 2017

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of September 1, 2017

B E T W E E N:

INDEX ENERGY MILLS ROAD CORPORATION, a corporation incorporated under the laws of the Province of Ontario

(the "**Seller**")

- and -

INDEX RESIDENCE AB (PUBL), a company formed under the laws of Sweden

(and any of its designees or assignees hereunder, as applicable, the "**Buyer**")

RECITALS:

A. The Seller owns and operates an electrical co-generation facility located in Ajax, Ontario, that generates electricity by burning wood waste from the construction industry to produce steam that is used to drive turbine generators (together with any other business in which the Seller is engaged on the date hereof, the "**Business**").

B. On August 16, 2017, the Seller commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"), and an initial order (the "**Initial CCAA Order**") was granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), pursuant to which, *inter alia*, Grant Thornton Limited was appointed as the monitor of the Seller (in such capacity, the "**Monitor**").

C. As at June 30, 2017, the Seller is indebted to Index Residence AB (publ) (formerly Index International AB (publ)) ("**Index Residence**") under the Index Residence Credit Agreement (as defined herein) in the amount of $102,496,654, which indebtedness is secured by the Index Residence Security (as defined herein).

D. As at June 30, 2017, the Seller is indebted to the Syndicate (as defined herein) under the Syndicate Facilities (as defined herein) in the amount of $44,086,831.54, which indebtedness is secured by the Syndicate Security (as defined herein).

E. Pursuant to the DIP Credit Agreement (as defined herein), Index Equity US LLC ("**Index Equity**") has agreed to provide a secured super-priority debtor-in-possession non-revolving credit facility of up to $5,000,000.

F. The Buyer, Index Residence and Index Equity are affiliates.

G. The Seller wishes to sell, and the Buyer wishes to purchase as a "stalking horse bidder" pursuant to the SISP (as defined herein), substantially all of the Seller's property and assets used in connection with the Business (except as specifically provided herein), and the Buyer further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement.

H. The Seller has determined that it is in its best interest, and the best interests of its stakeholders, to enter into this Agreement and to consummate the transactions contemplated herein on the terms set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement,

(a) "**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and "control" and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person ("**A**") controls another Person ("**B**") where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;

(b) "**Administration Charge**" has the meaning given to such term in the Initial CCAA Order;

(c) "**Administration Charge Amount**" means all amounts outstanding under the Administration Charge as at the Closing Date, plus the Monitor's estimate of professional fees of the Monitor, Monitor's counsel and the Seller's counsel which will be incurred from the Closing Date to and including the discharge of the Monitor by order of the Court;

(d) "**Agent**" means National Bank of Canada in its capacity as administrative agent for the Syndicate;

(e) "**Agreement**" means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and all attached

Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;

(f) "**Applicable Law**" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Seller, the Buyer, the Business or any of the Purchased Assets or Assumed Liabilities;

(g) "**Approval and Vesting Order**" means the form of Court order attached as Schedule "1.1(g)" hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;

(h) "**Assigned Contracts**" has the meaning given to such term in Section 2.5;

(i) "**Assumed Employees**" has the meaning given to such term in Section 7.6(b);

(j) "**Assumed Liabilities**" has the meaning given to such term in Section 2.3;

(k) "**Business**" has the meaning given to such term in Recital A;

(l) "**Business Day**" means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto are open for commercial banking business during normal banking hours;

(m) "**Buyer**" has the meaning given to such term in the preamble to this Agreement;

(n) "**Cash Component**" has the meaning given to such term in Section 3.1;

(o) "**CCAA**" has the meaning given to such term in Recital B;

(p) "**CCAA Proceedings**" has the meaning given to such term in Recital B;

(q) "**Closing**" means the completion of the Transaction at the Closing Time;

(r) "**Closing Date**" means January 12, 2018, or such other date as the Parties and the Monitor may agree, acting reasonably;

(s) "**Closing Documents**" means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;

(t) "**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;

(u) "**Confidential Information**" means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and its affiliates or any customer or supplier of a Party; provided that "Confidential Information" does not include information that:

(i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;

(ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;

(iii) was lawfully in a Party's possession prior to disclosure thereof by the other Party; or

(iv) was independently developed by a Party without use of, or reference to, the other Party's Confidential Information;

(v) "**Contracts**" means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements to which the Seller is a party or by which the Seller is bound;

(w) "**Court**" has the meaning given to such term in Recital B;

(x) "**Court Approval**" means the issuance of the SISP Approval Order and the Approval and Vesting Order by the Court;

(y) "**Court Orders**" has the meaning given to such term in Section 8.1(c);

(z) "**DIP Credit Agreement**" means the credit agreement between the Seller and Index Equity dated August 14, 2017, as it may be further amended, supplemented or otherwise modified, in connection with the provision by Index Equity to the Seller of a secured super-priority debtor-in-possession non-revolving credit facility of up to $5,000,000;

(aa) "**Directors' Charge**" has the meaning given to such term in the Initial CCAA Order;

(bb) "**Employee Plans**" means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings, with the exception of statutory or government sponsored plans, with respect to some or all of the current or former directors, officers, employees, contractors or consultants of the Seller or the beneficiaries or dependents of any such Persons to which the Seller is a party to or bound by or to which the Seller has an obligation to contribute relating to:

(i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, share compensation, share purchase or share option purchase, share appreciation rights, phantom stock, employee loans, or any other compensation or perquisites (including vehicles) in addition to salary;

(ii) retirement or retirement savings, including, without limitation, registered or unregistered pension plans, pensions, supplemental pensions, registered retirement savings plans and retirement compensation arrangements; or

(iii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short-term disability, long-term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor's benefits, vacation or vacation pay, sick pay, supplementary employment insurance, day care, tuition or professional commitments or expenses or similar employment benefits and post-employment benefits;

but excluding any statutory benefit plans which the Seller is required to participate in or comply with, including the Canada Pension Plan and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation;

(cc) "**Encumbrance**" means any security interest, lien, prior claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse claim of any nature or kind;

(dd) "**Environmental Law**" means any Applicable Law concerning pollution or protection of the environment, including all those relating to the use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or clean-up of any Hazardous Material;

(ee) "**Escrow Agreement**" means the escrow agreement dated September 1, 2017, among the Agent, Index Equity, the Seller and the Monitor, as escrow agent;

(ff) "**Escrowed Purchase Price Amount**" means the $10,000,000 (plus any interest earned thereon, less any escrow fees or charges) that is to be released from escrow in accordance with the Escrow Agreement;

(gg) "**Excluded Assets**" has the meaning given to such term in Section 2.2;

(hh) "**Excluded Liabilities**" has the meaning given to such term in Section 2.4;

(ii) "**Expense Reimbursement and Transaction Fee**" has the meaning given to such term in Section 9.4(a);

(jj) "**Final**" with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Seller) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;

(kk) "**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation-making entity:

(i) having jurisdiction over the Seller, the Buyer, the Purchased Assets or the Assumed Liabilities on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or

(ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or Taxing Authority or power;

(ll) "**Governmental Authorizations**" means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller relating to the Business or any of the Purchased Assets by or from any Governmental Authority;

(mm) "**Hazardous Material**" means any hazardous material, toxic substance, pollutant or hazardous waste (including any petroleum products or byproducts) defined or regulated as such under any Environmental Law;

(nn) "**HMI Lien Claim**" means the lien claim asserted by HMI Construction Inc. against 170 Mills Road and 176 Mills Road, Ajax, Ontario, in the original amount of approximately $31,300,000;

(oo) "**Holdback Funds**" means the $7,053,890 plus HST paid into Court to vacate the construction liens of various contractors based on the consent order of Justice Salmers dated March 24, 2017;

(pp) "**HST**" means the sales tax payable under the HST Legislation;

(qq) "**HST Legislation**" means Part IX of the *Excise Tax Act* (Canada);

(rr) "**IESO**" means the Independent Electricity System Operator;

(ss) "**IFRS**" means International Financial Reporting Standards;

(tt) "**including**" and "**includes**" shall be interpreted on an inclusive basis and shall be deemed to be followed by the words "without limitation";

(uu) "**Index Equity**" has the meaning given to such term in Recital E;

(vv) "**Index Residence**" has the meaning given to such term in Recital C;

(ww) "**Index Residence Credit Agreement**" means the loan letter dated May 10, 2008, amended May 29, 2008, January 31, 2011, and amended and restated July 7, 2013, as it may be further amended, supplemented or otherwise modified, pursuant to which Index Residence made certain credit facilities available to the Seller;

(xx) "**Index Residence Security**" means a general security agreement charging all present and after-acquired assets, personal property and undertakings of the Seller and a mortgage of the energy production facility located at 170 Mills Road and 176 Mills Road, Ajax, Ontario, each granted by the Seller in favour of Index Residence, and each securing all amounts owed pursuant to the Index Residence Credit Agreement;

(yy) "**Index Secured Debt**" means all indebtedness, liabilities and obligations owing by the Seller under the Index Residence Credit Agreement and the DIP Credit Agreement (and any security or other documents or instruments granted or entered into in connection therewith), together with all accrued and accruing interest, fees, costs and expenses;

(zz) "**Initial CCAA Order**" has the meaning given to such term in Recital B;

(aaa) "**Intellectual Property**" has the meaning given to such term in Section 2.1(j);

(bbb) "**Inventory**" has the meaning given to such term in Section 2.1(c);

(ccc) "**Licences**" has the meaning given to such term in Section 2.1(q);

(ddd) "**Material Adverse Change**" or "**Material Adverse Effect**" means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Business; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Seller's current financial condition, including the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to IFRS or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts or terrorism, or acts of God; (H) any action consented to by the Buyer; (I) any failure by the Seller to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period; or (J) any action, change, development, effect, event, circumstance, fact or occurrence that is attributable to or otherwise caused by the Seller or the Buyer (as determined by the Monitor);

(eee) "**Monitor**" has the meaning given to such term in Recital B;

(fff) "**Monitor's Certificate**" means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation, in form and substance satisfactory to the Monitor, from the Seller and the Buyer that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived; and (ii) the Buyer has paid, and the Seller has received, the Purchase Price;

(ggg) "**ordinary course of the Business**" means ordinary course of the Business having regard to the Seller's current financial condition;

(hhh) "**Parties**" means the Seller and the Buyer collectively, and "**Party**" means either the Seller or the Buyer;

(iii) "**Permits**" has the meaning given to such term in Section 2.1(p);

(jjj) "**Permitted Encumbrances**" means:

(i) Encumbrances given by the Seller as security to a public utility or any Governmental Authority when required in the ordinary course of the Business but only insofar as they relate to any amounts not due as at the Closing Date;

(ii) reservations, limitations, provisos and conditions, if any, expressed in any original grants of land by a Governmental Authority and any statutory limitations, exceptions, reservations and qualifications on real property;

(iii) statutory liens for current Taxes, assessments or other governmental charges not yet due and payable or for Taxes the validity or amount of which is being contested in good faith by appropriate action, provided that an appropriate reserve has been established therefor on the books of the Business;

(iv) minor discrepancies in the legal description of the Real Property or any adjoining real or immovable property which would be disclosed in an up-to-date survey which do not materially adversely affect the use, marketability or value of the Real Property (based on the current use of such affected property) affected thereby, and any registered servitudes, easements, restrictions or covenants that run with the Real Property;

(v) rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, tele-communications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of real or immoveable property, which do not in the aggregate materially detract from the value of any affected property of the Seller or materially impair the use of any property used in the Business;

(vi) Encumbrances imposed by Applicable Law which rank in priority to the Encumbrances for the Syndicate Facilities including, but not limited to, Encumbrances of mechanics, labourers, workmen, builders, contractors, suppliers of material or architects or other similar Encumbrances incidental to construction, maintenance or repair operations, provided that: (A) such Encumbrances secure amounts which are not yet due or delinquent and have not been registered on title to any Real Property or written notice thereof has not been received by the Seller or the Buyer; and (B) such Encumbrances do not include the HMI Lien Claim, which lien claim is not a Permitted Encumbrance; and

(vii) Encumbrances associated with, and financing statements evidencing, the rights of equipment lessors under any of the Personal Property Leases, including, without limitation, any purchase money security interests;

(kkk) "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

(lll) "**Personal Property Leases**" has the meaning given to such term in Section 2.1(f);

(mmm) "**Purchase Price**" has the meaning given to such term in Section 3.1;

(nnn) "**Purchased Assets**" has the meaning given to such term in Section 2.1;

(ooo) "**Real Property**" has the meaning given to such term in Section 2.1(h);

(ppp) "**Real Property Leases**" has the meaning given to such term in Section 2.1(g);

(qqq) "**Restricted Rights**" has the meaning given to such term in Section 2.5;

(rrr) "**Seller**" has the meaning given to such term in the preamble to this Agreement;

(sss) "**SISP**" means the sale and investment solicitation process set forth in Schedule "1.1(sss)" hereto;

(ttt) "**SISP Approval Order**" means the Court order approving the SISP;

(uuu) "**Syndicate**" means National Bank of Canada, Canadian Western Bank, Laurentian Bank of Canada and Business Development Bank of Canada;

(vvv) "**Syndicate Facilities**" means the credit facilities provided to the Seller by the Syndicate pursuant to a credit agreement among the Seller and the Syndicate;

(www) "**Syndicate Security**" means, among other things, a demand debenture in the principal amount of $210,000,000 dated July 15, 2013 and charging all of the Seller's property, assets, and undertakings, a debenture delivery agreement dated July 15, 2013, an assignment of material contracts and an assignment of insurance, each dated July 15, 2013, and certain limited recourse guarantees and pledge agreements;

(xxx) "**Tax**" and "**Taxes**" means any and all:

(i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and

(ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);

(yyy) "**Tax Act**" means the *Income Tax Act* (Canada), as amended and any relevant legislation of a province imposing tax similar to the *Income Tax Act* (Canada);

(zzz) "**Taxing Authority**" means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;

(aaaa) "**Transaction**" means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;

(bbbb) "**Transfer Taxes**" has the meaning given to such term in Section 7.5(c); and

(cccc) "**Transferred Contracts**" has the meaning given to such term in Section 2.1(i).

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

Schedule	**Description**
Schedule 1.1(g)	Form of Approval and Vesting Order

Schedule 1.1(sss)	SISP
Schedule 7.6(a)	Employees

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings 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 otherwise specifically set forth in this Agreement and any document required to be delivered pursuant to or in respect of this Agreement, including, without limitation, the Escrow Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of Ontario for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

ARTICLE 2
PURCHASE AND SALE

2.1 Agreement to Purchase and Sell Purchased Assets

Upon and subject to the terms and conditions of this Agreement (including the provisions of Section 2.5), at the Closing the Seller shall sell and the Buyer shall purchase, free and clear of all Encumbrances other than Permitted Encumbrances and Encumbrances the existence of which are expressly waived by the Buyer in writing for purposes hereof, all of the Seller's right, title and interest in, to and under, or relating to, the assets, property and undertaking, owned or used or held by the Seller (collectively the "**Purchased Assets**"), including without limitation the following properties, assets and rights:

(a) *Cash and Accounts Receivable* – all cash and all accounts receivable (including unbilled revenue and holdbacks), bills receivable, trade accounts, trade debts and book debts due or accruing due in connection with the Business, including any refunds and rebates receivable relating to the Business or the Purchased Assets and the full benefit of all security (including cash deposits), guarantees and other collateral held by the Seller relating to the Business, and amounts receivable (or which may become receivable) by the Seller under agreements whereby the Seller has disposed of a business, facility or other assets, or under royalty (or other) agreements or documents related thereto, and any asset-backed commercial paper or other investments, and, to the extent practicable, all bank accounts agreed upon by the Parties;

(b) *Prepaid Expenses* – the full benefit of prepaid expenses of the Business, other than any prepaid expenses related to Excluded Assets, and all deposits with any public utility, lessor under any Personal Property Lease or Real Property Lease or Governmental Authority;

(c) *Inventory* – all items that are held by the Seller for sale, license, rental, lease or other distribution in the ordinary course of Business, or are being produced for sale, or are to be consumed, directly or indirectly, in the production of goods or services to be available for sale, of every kind and nature and wheresoever situate relating to the Business including inventories of raw materials, spare parts, work-in-progress, finished goods and by-products, operating supplies and packaging materials (collectively, the "**Inventory**");

(d) *Fixed Assets and Equipment* – all machinery, equipment, furnishings, furniture, parts, dies, molds, tooling, tools, computer hardware, supplies, accessories and other tangible personal and moveable property (other than Inventory) owned or used or held by the Seller for use in or relating to the Business, whether located on the Seller's premises or elsewhere;

(e) *Vehicles* – all motor vehicles, including all trucks, vans, cars and forklifts owned, leased, used or held by the Seller for use in or relating to the Business;

(f) *Personal Property Leases* – all leases of personal or moveable property that relate to the Business, including all benefits, rights and options pursuant to such leases and all leasehold improvements forming part thereof (the "**Personal Property Leases**");

(g) *Real Property Leases* – all leases of real or immoveable property that relate to the Business, including all benefits, rights and options pursuant to such leases and all leasehold improvements forming part thereof (the "**Real Property Leases**");

(h) *Real Property* – all real or immoveable property owned by the Seller and used in the Business, and all plants, buildings, structures, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) thereon, forming part thereof or benefiting such real or immoveable property (the "**Real Property**");

(i) *Transferred Contracts* – all Contracts relating to the Business and/or the Purchased Assets (collectively, the "**Transferred Contracts**");

(j) *Other Assets* – to the extent that it is necessary to specifically identify them for any purpose whatsoever, any other assets as agreed to between the Buyer and the Seller prior to the Closing Time (which, for certainty, will not result in any adjustment to the Purchase Price);

(k) *Intellectual Property* – all right, title and interest of the Seller to all intellectual property used in or relating to the Business (collectively, the "**Intellectual Property**") including:

(i) all trade-marks, trade names, websites and domain names, certification marks, service marks, and other source indicators (including the name "Index Energy Mills Road Corporation" and any variations thereof), and the goodwill of any business symbolized thereby, patents, copyrights, computer systems, code, applications, systems, databases, data, website content, passwords, know-how, formulae, processes, inventions, technical expertise, research data, trade secrets, industrial designs and other similar property;

(ii) all registrations and applications for registration thereof;

(iii) any and all licences, sub-licences or any other evidence of a right to use any of the foregoing;

(iv) the right to obtain renewals, extensions, substitutions, continuations, continuations-in-part, divisions, re-issues, re-examinations or similar legal protections related thereto; and

(v) the right to bring an action at law or equity for the infringement of the foregoing before the Closing Time, including the right to receive all proceeds and damages therefrom, owned, or used or held by the Seller for use in or relating to the Business;

(l) *Computer Software* – all software and documentation therefor used in the Business, including, all electronic data processing systems, program specifications, source codes, object code, input data, report layouts, formats, algorithms, record file layouts, diagrams, functional specifications, narrative descriptions, flow charts, operating manuals, training manuals and other related material;

(m) *Goodwill* – the goodwill of the Business and relating to the Purchased Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, e-mail addresses, research materials, research and development files and Confidential Information and the exclusive right of the Buyer to represent itself as carrying on the Business in succession to the Seller;

(n) *Employee Plans* – all assets, agreements and policies forming part of or relating to any Employee Plan;

(o) *Business Records* – all business and financial records and files of the Business, including the general ledger and accounting records relating to the Business, all customer lists and lists of suppliers, all operating manuals, plans and specifications and all of the right, interest and benefit, if any, thereunder and to and in the domain names, telephone numbers, facsimile numbers and e-mail addresses, used by the Seller in the conduct of the Business, and all records, files and information necessary or desirable for Buyer to conduct or pursue the rights described in Section 2.1(s); provided, however, that the Seller may retain copies of all books and records included in the Purchased Assets to the extent necessary or useful for the administration of the CCAA Proceedings or the filing of any Tax return or compliance with any Applicable Law or the terms of this Agreement;

(p) *Permits* – all Governmental Authorizations, to the extent transferable to the Buyer or its permitted assignees (the "**Permits**");

(q) *Licences* – all licences and licence agreements in favour of the Seller relating to the Business, to the extent the foregoing are transferable to the Buyer or its permitted assignees (the "**Licences**");

(r) *Insurance* –

(i) the interests of the Seller in all Contracts of insurance, insurance policies and insurance plans;

(ii) any insurance proceeds net of any deductibles and retention recovered by the Seller under all other Contracts of insurance, insurance policies (excluding for certainty proceeds paid directly by the insurer to or on behalf of directors and officers under directors' and officers' insurance policies) and insurance plans between the date of this Agreement and the Closing Date; and

(iii) the full benefit of the Seller's rights to insurance claims (excluding for certainty proceeds paid directly by the insurer to or on behalf of directors and officers under directors' and officers' insurance policies) relating to the Business and amounts recoverable in respect thereof net of any deductible;

(s) *Actions, etc.* – any claims, refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment related to the Business or any of the Purchased Assets, and the interest of the Seller in any litigation and in the proceeds of any judgment, order or decree issued or made in respect thereof in respect of occurrences, events, accidents or losses suffered prior to the Closing Time, including, without limitation, in respect of:

(i) Oshawa Court Files Nos. 92193/15 and 91189/15; and

(ii) the Seller's statement of claim issued against Daniel Joseph Leduc on April 26, 2017;

(t) *Holdback Funds* - any claims, refunds, causes of action, rights of recovery, rights of set-off, rights of recoupment and similar rights related to the Holdback Funds;

(u) *Loans* – any loans or debts due prior to the Closing Date to the Seller;

(v) *Tax Refunds* – the benefit of any refundable Taxes payable or paid by the Seller (including any Taxes payable or paid under the HST Legislation, or any Taxes collected and remitted to any Taxing Authority), net of any amounts deducted or withheld by any Taxing Authority, and any claim or right of the Seller to any incentive, refund, rebate or credit of Taxes; and

(w) *Warranty Rights* – all warranty rights against manufacturers, builders, contractors or suppliers relating to any of the Purchased Assets, to the extent the foregoing are transferable,

but excluding the Excluded Assets.

2.2 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, the Purchased Assets shall not include any of the following assets of the Seller (collectively, the "**Excluded Assets**"):

(a) *Corporate Records* – original Tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Seller as a Person, and provided further that the Buyer may take copies of all Tax records and books and records pertaining to such records (as redacted, if applicable) to the extent necessary or useful for the carrying on of the Business after Closing including the filing of any Tax return; provided, however that the Seller shall retain or transfer to the Buyer the original copies of any of the records required to be provided to the Buyer hereunder to the extent the Seller is required to do so under Applicable Law;

(b) *Rights under Agreement* – all of the Seller's rights under this Agreement, the Closing Documents and the Transaction;

(c) *Subsidiaries, Partnerships and Joint Ventures* – all of the securities, partnership interests or joint venture interests of the Seller in another Person;

(d) *Other Assets* – any other assets as agreed to between the Buyer and the Seller prior to the Closing Time (which, for certainty, will not result in any adjustment to the Purchase Price);

(e) *Insurance* – all insurance policies, proceeds and claims excluded from the Purchased Assets in Section 2.1(r);

(f) *Contracts related to the Syndicate Facilities* - all Contracts related to the Syndicate Facilities; and

(g) *Ordinary Course Assets* – any asset of Seller that would otherwise constitute a Purchased Asset but for the fact that it is conveyed, leased or otherwise disposed of in the ordinary course of the Business in compliance with Section 7.2 during the period beginning on the date of this Agreement and ending on the Closing Date.

2.3 Assumption of Liabilities

The Buyer shall assume as of the Closing Date and shall pay, discharge and perform, as the case may be, from and after the Closing Date, all of the liabilities and obligations of the Seller with respect to the Business and/or the Purchased Assets other than the Excluded Liabilities (collectively, the "**Assumed Liabilities**"), including, without limitation, the following liabilities and obligations:

(a) *Obligations under Contracts, etc.* – all liabilities and obligations arising under the Personal Property Leases, Real Property Leases, Employee Plans, Permits, Licences, the Personal Property Leases and Transferred Contracts, in each case which are assigned to the Buyer hereunder, including any cure costs thereunder;

(b) *Trade Debt* – all trade obligations payable or accrued payable (including, for certainty, customer credit balances and open purchase orders) of the Business until the Closing Date;

(c) *Employee Matters* – all liabilities and obligations of the Buyer pursuant to Section 7.6;

(d) *Withholdings* – except to the extent discharged prior to Closing, obligations for: (i) Canadian and provincial source deduction withholding Taxes in respect of the employees of the Seller; and (ii) Canadian non-resident withholding Taxes;

(e) *Permitted Encumbrances* – all liabilities arising from, or in relation to, the Permitted Encumbrances;

(f) *Index Secured Debt* – all indebtedness under the Index Secured Debt as at the Closing Date; and

(g) *Ordinary Course Liabilities* – all other ordinary course obligations and liabilities to clients, vendors, suppliers and customers incurred in the ordinary course of the Business between the date of this Agreement and the Closing Date.

2.4 Excluded Liabilities

Except as expressly assumed pursuant to Section 2.3, all debts, obligations, Contracts and liabilities of the Seller, of any kind or nature, shall remain the sole responsibility of the Seller, and the Buyer shall not assume, accept or undertake any debt, obligation, duty, contract or liability of the Seller of any kind, whatsoever, except as expressly assumed pursuant to Section 2.3, whether accrued, contingent, known or unknown or otherwise, and specifically excluding (without limitation) the following liabilities or obligations which shall be retained by, and which shall remain the sole responsibility of the Seller (collectively, the "**Excluded Liabilities**"):

(a) *Intercompany Accounts Payable* – any debts, other than the Index Secured Debt, due or accruing prior to the Closing Date from the Seller to any shareholder, director, officer (except amounts owing to any officer for service to the Business as an employee) or affiliate of the Seller;

(b) *Intellectual Property Claims* – any claims against the Seller for infringements of any intellectual property rights of any third Person relating to any period prior to the Closing Date;

(c) *Excluded Assets* – all liabilities and obligations relating to the Excluded Assets;

(d) *Syndicate Facilities* – all liabilities and obligations under the Syndicate Facilities and under any Contracts related thereto, including all accrued and accruing interest, fees, costs and expenses thereunder;

(e) *HMI Construction Inc.* – all liabilities and obligations owing to HMI Construction Inc., including, without limitation, any amounts relating to the HMI Lien Claim;

(f) *Taxes* – all liabilities for Taxes of the Seller not assumed pursuant to Section 2.3; and

(g) *Other* – claims, demands, complaints, actions, applications, suits, causes of action, charges, indictments, prosecutions, information or other similar processes, orders (including injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator and includes remedial orders), assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, or tort, arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date, including without limitation liabilities relating to any breach of law, product liability claims, and any liabilities or obligations relating to the environment or occupational health and safety, including but not limited to, (i) liabilities arising in connection with properties owned, leased or operated by the Seller at any time prior to the Closing Date, (ii) liabilities arising in connection with facilities or properties to which any of the Seller sent Hazardous Material for disposal prior to the Closing Date, (iii) liabilities arising in connection with any Hazardous Material generated, used, emitted, released, stored, transported or disposed of prior to the Closing Date in connection with the Business or by any of the Seller or (iv) fines, penalties or other liabilities arising from violations of or non-compliances with Environmental Law or environmental Permits occurring prior to the Closing Date, all to the maximum extent permitted by Applicable Law and except, in each case, as specifically defined in this Agreement as an Assumed Liability.

2.5 Assignment of Purchased Assets

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer, without the consent of a third Person, would constitute a breach thereunder ("**Restricted Rights**"). The Seller shall hold any such Restricted Rights in trust for the Buyer until such time as consent and/or approval has been obtained, to the extent applicable. At the sole expense of the Buyer, the Seller and the Buyer shall use their reasonable commercial efforts to take all such action and do or cause to be done all such things as are reasonably necessary or proper in order that the obligations of the Seller under such Restricted Rights may be performed in such manner that the value of such Restricted Rights is preserved and enures to the benefit of the Buyer, and that any amounts due and payable or which become due and payable in and under the Restricted Rights, net of costs and expenses incurred by the Seller, are received by the Buyer. The Seller shall promptly pay to the Buyer all amounts collected by or paid to the Seller in respect of all such Restricted Rights.

If a consent to transferring the Restricted Rights to the Buyer is not obtained, or such assignment is not attainable, the Seller and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Buyer will obtain the benefits and assume the liabilities and obligations related to such Restricted Rights in accordance with this Agreement including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling the assignment pursuant to Section 11.3 of the CCAA or otherwise, provided, however, that the Buyer acknowledges and agrees that nothing in this Section 2.5 shall operate to prohibit or diminish in any way the right of the Seller to, dissolve, wind-up or otherwise cease operations as they may determine in their sole discretion, or require the Seller to take any illegal action or commit fraud on any Person.

The Seller and the Buyer shall use their reasonable commercial efforts to obtain any necessary consents or approvals in order to assign the Personal Property Leases, Real Property Leases, Employee Plans, Permits, Licences, the Personal Property Leases and Transferred Contracts to the Buyer (the "**Assigned Contracts**") prior to the Closing Date. To the extent assignable and transferable to the Buyer, all Assigned Contracts shall be assigned by the Seller to the Buyer.

To the extent that the Seller would incur any out-of-pocket costs and expenses, not including costs of counsel or other professional advisors, prior to the Closing Time in order to comply with a specific obligation under this Section 2.5, the Seller shall not have to incur such out-of-pocket costs and expenses to comply with such obligation unless the Buyer shall have provided the Seller with the funds necessary to pay such out-of-pocket costs and expenses. To the extent that the Seller would incur any out-of-pocket costs and expenses after the Closing Time in order to comply with a specific obligation under this Section 2.5, the Seller shall not have to incur such out-of-pocket costs and expenses to comply with such obligation unless the Buyer shall have provided the Seller with the funds necessary to pay such out-of-pocket costs and expenses.

Notwithstanding the foregoing: (i) nothing in this Section 2.5 shall require the Seller to renew any Restricted Rights once they have expired; and (ii) any efforts required of the Seller pursuant to this Section 2.5 shall be strictly on an interim basis and in no event be required to continue for more than 120 days following the Closing Date.

ARTICLE 3
PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets (the "**Purchase Price**") shall be: (i) the Escrowed Purchase Price Amount; plus: (ii) $10,000,000; plus (iii) the Administration Charge Amount; plus (iv) all outstanding amounts secured under the Directors' Charge; plus (v) all amounts secured by other Encumbrances (other than Permitted Encumbrances) that rank in priority to the Syndicate Security or repayment of the Syndicate Facilities (collectively, the "**Cash Component**"); plus (vi) the amount of the Index Secured Debt; plus (vii) the balance of the amount of the Assumed Liabilities (less the Index Secured Debt); provided, however, that the assumption of the Index Secured Debt in respect of the Index Residence Credit Agreement shall be on the basis that the amount payable thereunder shall be postponed in favour of the shareholders of the Buyer (either as shareholders or as lenders) to receive an aggregate amount of repayments of capital, or repayments of principal) equal to the amount of the Cash Component and the amount of the remaining Index Secured Debt out of the assets of the Buyer. The Buyer shall satisfy the Purchase Price at the Closing Time by: (i) directing the release from escrow of the Escrowed Purchase Price Amount; (ii) paying to the Monitor in trust the Cash Component (other than the Escrowed Purchase Price Amount) by wire transfer in immediately available funds pursuant to wire transfer instructions to be provided by the Monitor to the Buyer no later than one (1) Business Day prior to the Closing Date; (iii) assuming the Index Secured Debt; (iv) assuming the Assumed Liabilities (less the Index Secured Debt); and (v) causing Index Residence and Index Equity to release: (A) the Seller from all of its indebtedness, liabilities and obligations under or with respect to the Index Secured Debt and any other documents or agreements entered into in connection therewith (including without limitation all security documents), together with all outstanding interest, fees and costs incurred relating thereto, in full satisfaction thereof; (ii) all security interests and liens securing the Index Secured Debt.

Any amounts remaining in reserve with respect to the Administration Charge Amount after payment of all amounts secured by the Administration Charge, if any, shall forthwith be remitted by the Monitor to the Buyer without set-off or deduction pursuant to the Approval and Vesting Order. Any amounts paid by the Buyer on account of the Directors' Charge, shall forthwith be remitted by the Monitor to the Buyer without set-off or deduction upon the determination by the Monitor that such amounts are in excess of amounts required to make payments secured by the Directors' Charge pursuant to the Approval and Vesting Order.

3.2 Purchase Price Allocation

The Purchase Price shall be allocated among the Purchased Assets as agreed by the Parties, acting reasonably. Such allocation shall be binding and the Buyer and the Seller shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

4.1 Existence

The Seller is duly organized and validly existing under the laws of its jurisdiction of organization.

4.2 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained and the Approval and Vesting Order being entered, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

4.3 Right to Sell Purchased Assets

At the Closing, the Seller shall convey to the Buyer all of its right, title and interest in and to the Purchased Assets free and clear of all Encumbrances except for Permitted Encumbrances, except with respect to any Assigned Contracts for which consent of a third Person is required for an assignment of such Contract and has not been obtained at the Closing Time.

4.4 Absence of Conflicts

Except for the approvals set out in Section 4.5, the Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any Closing Documents to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction.

4.5 Approvals and Consents

Except for:

(a) Court Approval;

(b) IESO's consent to the assignment to the Buyer of all feed-in-tariff agreements between the Seller and IESO and any amendments thereto that are required by the Buyer, acting reasonably, in order to permit the Buyer to be in compliance with such agreements as at the time of assignment;

(c) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset;

no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

4.6 Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

4.7 HST Registration

The Seller is registered for purposes of HST Legislation and will provide its registration numbers to the Buyer.

4.8 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller.

4.9 No Other Representations, Warranties or Covenants

All of the Purchased Assets are being purchased on an "as is where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrance, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. The disclaimer in this Section 4.9 is made notwithstanding the delivery or disclosure to the Buyer or its directors, officers, employees, agents or representatives of any documentation or other information.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

5.1 Existence

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

5.2 Due Authorization and Enforceability of Obligations

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Buyer will be duly executed and delivered by the Buyer and will constitute a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

5.3 Absence of Conflicts

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any governmental authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the transactions hereunder.

5.4 Approvals and Consents

Except for:

(a) Court Approval;

(b) IESO's consent to the assignment to the Buyer of all feed-in-tariff agreements between the Seller and IESO and any amendments thereto that are required by the Buyer, acting reasonably, in order to permit the Buyer to be in compliance with such agreements as at the time of assignment; and

(c) any consent required in connection with the assignment of any Assigned Contract or any Purchased Asset;

no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

5.5 Financial Ability

The Buyer has cash on hand and/or firm financing commitments from lenders, in amounts sufficient, together with the Escrowed Purchase Price Amount, to allow it to pay the Purchase Price and all other costs and expenses in connection with the consummation of the transactions contemplated by this Agreement. The Buyer will have, as of the Closing Date: (i) sufficient funds available, together with the Escrowed Purchase Price Amount, for purposes of paying the Purchase Price and paying any other amount due hereunder or in respect hereof; and (ii) the resources and capabilities (financial or otherwise) to perform its obligations hereunder, including the Assumed Liabilities.

5.6 Residence of the Buyer

At the Closing Time, the Buyer will not be a non-resident of Canada within the meaning of section 116 of the Tax Act.

5.7 HST Registration

The Buyer, or its assignee(s) acquiring the Purchased Assets, is, or at the Closing Time will be, registered for purposes of HST Legislation and will provide its registration numbers to the Seller.

5.8 *Investment Canada Act*

At the Closing Time, the Buyer will (a) be either a "Canadian" or "WTO investor" within the meaning of the *Investment Canada Act*; and (b) not be a "state-owned enterprise" within the meaning of the *Investment Canada Act*.

5.9 No Additional Due Diligence

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets, the Assumed Liabilities and the Business prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets, the Assumed Liabilities and/or the Business; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets, Assumed Liabilities or the Business or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

5.10 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyer.

ARTICLE 6
CONDITIONS

6.1 Conditions for the Benefit of the Buyer and the Seller

The respective obligations of the Buyer and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

(a) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect;

(b) the Initial CCAA Order shall have been issued and entered, shall not have been stayed and shall remain in force and the CCAA Proceedings shall be ongoing;

(c) the SISP Approval Order shall have been issued and entered on or before September 11, 2017, or on or before such later date as the Parties and the Monitor agree to in writing, and shall be Final;

(d) the Stalking Horse Bidder is the Successful Bidder (each, as defined in the SISP) under the SISP; and

(e) the Approval and Vesting Order shall have been issued and entered on or before December 15, 2017, or on or before such later date as the Parties and the Monitor agree to in writing, and shall be Final.

6.2 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

(a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored);

(b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time, except where any failure or failures to perform any such covenant would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored);

(c) the Buyer shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(b), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer;

(d) releases or discharges of all Encumbrances against the Purchased Assets, including any Court ordered charges in the CCAA Proceedings, other than Permitted Encumbrances, shall have been obtained in form and substance reasonably satisfactory to the Buyer;

(e) the Closing Documents, all other documents relating to the due authorization and completion of the Transaction and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance reasonably satisfactory to the Buyer;

(f) the Purchased Assets shall be assigned and transferred to the Buyer free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Approval and Vesting Order;

(g) any documents, if required to effect the change of names contemplated in Section 7.8 shall be delivered to the Buyer in form and substance satisfactory to the Buyer, acting reasonably;

(h) IESO shall have provided its consent to the assignment to the Buyer of all feed-in-tariff agreements between the Seller and IESO and any amendments thereto that are required by the Buyer, acting reasonably, in order to permit the Buyer to be in compliance with such agreements as at the time of assignment; and

(i) since the date first written above, no Material Adverse Change shall have occurred.

6.3 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing

Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

(a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored);

(b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time, including payment of the Purchase Price, shall have been performed in all material respects as at the Closing Time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to "material", "Material Adverse Change" or any other concept of materiality in such representations and warranties shall be ignored);

(c) the Seller shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller;

(d) all written employment agreements shall have been assumed by the Buyer or all payments in respect of the existing contractual employment arrangements shall have been paid by the Seller or the Buyer in cash;

(e) all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller; and

(f) the Assumed Liabilities shall have been assumed by the Buyer.

ARTICLE 7
ADDITIONAL AGREEMENTS OF THE PARTIES

7.1 Access to Information

Until the Closing Time, the Seller shall give to the Buyer's personnel engaged in the Transaction and their accountants, legal advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business, the Purchased Assets and the Assumed Liabilities and to members of the Seller's senior management, shall furnish them with all such information relating to the Business, the Purchased Assets and the Assumed Liabilities as the Buyer may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyer to the customers and suppliers of the Business. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities. Notwithstanding the foregoing, the Seller shall not be required to disclose any information, records, files or other data to the Buyer where prohibited by any Applicable Laws or such disclosure would have the effect of causing the waiver of any solicitor-client privilege.

7.2 Conduct of Business Until Closing Time

Except: (1) as expressly required by this Agreement; (2) as required by the Syndicated Facility, the Index Residence Credit Agreement and the DIP Credit Agreement; (3) with the prior written consent of the Buyer (not to be unreasonably withheld or delayed), as necessary or advisable in connection with or pursuant to the CCAA Proceedings, or as required by Applicable Law (including to the extent required by any Contract), to the extent reasonably necessary, and as practicable having regard to the CCAA Proceedings and any Court order issued in the CCAA Proceedings, the Seller shall:

(a) operate the Business in the ordinary course of Business in all material respects and use commercially reasonable efforts to preserve the Business;

(b) not transfer, lease, license, sell, create any Encumbrance on or otherwise dispose of any of the Real Property;

(c) not amend, terminate or assign any Personal Property Leases, Real Property Leases, Employee Plans, Permits, Licences, the Personal Property Leases and Transferred Contracts or Contract that is included in the Purchased Assets and material to the Business;

(d) not waive, release, permit the lapse of, relinquish or assign any material rights of the Business under any Personal Property Lease, Real Property Lease or Contract included in the Purchased Assets and material to the Business; and

(e) not enter into any lease, contract or agreement, licence or other commitment related to the Business that would constitute a Personal Property Lease, Real Property Lease or Contract except, in each case, in the ordinary course of the Business.

7.3 Approvals and Consents

(a) The Seller and the Buyer shall:

(i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, including, without limitation, the consent of IESO, approvals, permits and authorizations with any other Governmental Authorities whose consent is required for consummation of the Transaction, and the Buyer will request any expedited processing available; and

(ii) use commercially reasonable efforts to seek all consents, including, without limitation, the consent of IESO, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Buyer.

(b) The Buyer shall, at the Seller's request, furnish the Seller with copies of such documents and information with respect to the Buyer, including financial information, as the Seller may reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 7.3(a).

7.4 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

7.5 Tax Matters

(a) The Buyer and the Seller agree to use commercially reasonable efforts to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.

(b) For purposes of any income Tax return related to the Transaction, the Buyer and, to the extent applicable, the Seller, agree to report the Transaction in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.2, and the Buyer and the Seller shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyer and the Seller shall each be responsible for the preparation of their own statements required to be filed under the Tax Act and other similar forms in accordance with applicable Tax laws.

(c) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign value-added, sale, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, "**Transfer Taxes**"). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.

(d) The Seller and the Buyer shall jointly make and each of them will file the elections provided for in paragraph 167(1)(b) of the HST Legislation to have subsection 167(1.1) of the HST Legislation apply in respect of the sale of the Purchased Assets under this Agreement. The Buyer shall at all times indemnify and hold harmless the Seller and their directors, officers and employees, against and in respect of any and all amounts assessed by the Minister of National Revenue (Canada) (including all reasonable legal and professional fees incurred by the Seller or their directors, officers and/or employees, as a consequence of or in relation to any such assessment) as a consequence of such Minister determining, for any reason, that the election is unavailable, inapplicable, invalid or not properly made.

(e) The Seller and the Buyer will jointly execute, and each of them will file promptly following the Closing Date, an election under section 22 of the Tax Act, and any corresponding provisions of any applicable provincial income Tax legislation, with respect to any debts referred to in such section 22 and any corresponding provisions of any applicable provincial income Tax legislation. For the purposes of such elections, the Buyer, acting reasonably and in consultation with the Seller, will designate the portion of the Purchase Price allocable to the debts in respect of which such elections are made. For greater certainty, the Seller and the Buyer agree to prepare and file their respective Tax returns in a manner consistent with such election(s).

(f) To the extent permitted under section 221(2) of the *Excise Tax Act* (Canada) and any equivalent or corresponding provision under any applicable provincial or territorial legislation, the Buyer shall self-assess and remit directly to the appropriate Governmental Authority any goods and services tax and harmonized sales tax imposed under the *Excise Tax Act* (Canada) and any similar value added or multi staged tax imposed by any applicable provincial or territorial legislation payable in connection with the transfer of any of the Real Property. The Buyer shall make and file a return(s) in accordance with the requirements of section 228(4) of the *Excise Tax Act* (Canada) and any equivalent or corresponding provision under any applicable provincial or territorial legislation.

(g) Notwithstanding paragraph (d), the Buyer hereby waives compliance by the Seller with section 6 of the *Retail Sales Tax Act* (Ontario) and with any similar provision contained in any other Applicable Law in respect of the Transfer Taxes.

(h) At the Closing, the Seller and the Buyer shall collectively execute, acknowledge, deliver and file all such returns and other documents as may be necessary to comply with the Applicable Laws regarding the transfer of Real Property and the Transfer Taxes payable on such transfer. Such Transfer Taxes shall be paid to the appropriate Governmental Authority by the Party responsible for such Transfer Taxes under Applicable Law.

7.6 Employee Matters

(a) Prior to, but conditional on, Closing and with effect as of the Closing Time, the Buyer shall make written offers of employment to all of the employees of the Seller listed on Schedule "7.6(a)" hereto, such offers of employment to be (i) in a form approved by the Seller acting reasonably, and (ii) no less favourable to the employees and on substantially the same terms and conditions (including with respect to title, duties, reporting relationships, compensation, incentive opportunity, benefits, vacation entitlement, termination entitlements, hours of work and work location) as those existing with the Seller in respect of such employees immediately prior to Closing and (iii) in the case of employees with written employment agreements, the Buyer shall assume such written employment agreements and fulfill all obligations under such agreements. In addition, the Buyer shall, from and after the Closing Time, assume all obligations to and continue the engagements of all contractors and consultants of the Seller also listed on Schedule "7.6(a)" hereto and, without limitation, assume all written agreements in connection with such contractors and consultants and all obligations in connection with the termination of any engagement occurring on or after Closing.

(b) All of the employees of the Seller listed on Schedule "7.6(a)" hereto who accept the Buyer's offer of employment, or who otherwise continue in employment with the Buyer following the Closing and all contractors and consultants of the Seller as of the Closing Time shall hereinafter be referred to as "**Assumed Employees**". The Buyer shall recognize all service of Assumed Employees with the Seller or, if longer, as recognized by the Seller. The Seller will cooperate with the Buyer in giving notice to the employees concerning such matters referred to in this Section 7.6 as are reasonable under the circumstances. The Seller and Buyer shall exercise reasonable efforts to persuade the employees of the Seller to accept the Buyer's offers of employment or to continue in employment with the Buyer.

(c) The Buyer shall assume the obligations of the Seller with respect to the vacation entitlements of the Assumed Employees on the same terms and conditions as such Assumed Employees would have been entitled had they remained in the employment of the Seller. Further, the Buyer shall assume and be responsible for all liabilities and obligations with respect to the Assumed Employees following the Closing Date, including without limitation, all severance pay, termination pay, pay in lieu of notice, damages and other liabilities (including claims based on such Assumed Employees' past service with the Seller), which will be provided in all cases in accordance with Applicable Law and, where applicable, in accordance with any written employment agreement.

(d) Except for payments and entitlements under the Employee Plans being assumed by Buyer under this Section 7.6, the Seller shall be responsible for all liabilities and obligations with respect to employees of the Seller up to and including the Closing Date and all liabilities and obligations with respect to any employees who do not accept offers of employment from the Buyer made in accordance with the terms of this Agreement, including, in both cases, liabilities and obligations related to any required notice of termination, termination or severance pay (required under Applicable Law or under contract), employment insurance, workplace safety and insurance/workers' compensation, Canada Pension Plan, salary or wages, statutory holiday pay, overtime pay, payroll or employer health taxes, commissions, bonuses, employee benefit plan payments or contributions, vacation entitlements and any other claims.

(e) Effective as of the Closing Date, the Seller shall assign to the Buyer, and the Buyer assumes, the Employee Plans and all of the Seller's rights, obligations and liabilities under and in relation to such Employee Plans (for greater certainty, whether accrued up to the Closing Date or any time thereafter, that is, including benefits which relate to events occurring before the Closing Date and including benefits in connection with Persons who are not Assumed Employees) and the Seller and the Buyer agree to co-operate to take all reasonable steps to effect such assignment. The Buyer shall ensure that all employee benefits coverages and entitlements pursuant to the Employee Plans are provided without interruption after the Closing Date without any waiting period or other qualification (for greater certainty, whether or not the covered persons have become Assumed Employees).

7.7 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

7.8 Change Names

On or promptly following the Closing Date, and except as may be required for purposes of the CCAA Proceedings, the Seller and their affiliates shall discontinue use of the name "Index Energy Mills Road Corporation" and any variation thereof, except where legally required to advise that its name has been changed to another name or to refer to the historical fact that the Seller previously conducted the Business under the "Index Energy Mills Road Corporation" name, and the Seller shall, subject to the Court's approval, as soon as reasonably practicable following Closing file articles of reorganization to change the corporate names of the Seller to another name if requested by Buyer, acting reasonably, and otherwise not confusingly similar to its present name. To the extent necessary as determined by the Buyer, in its sole discretion, and subject to the Court's approval, the Approval and Vesting Order shall authorize and direct the appropriate Governmental Authority to accept such articles of reorganization, notwithstanding the insolvency of the Seller.

7.9 Advice and Direction

The Parties acknowledge that the Monitor is entitled (but not required) to seek the advice and directions of the Court in respect of any determination to be made, consent right to be exercised or other action to be taken by the Monitor under this Agreement.

ARTICLE 8
COURT ORDERS

8.1 Court Orders

(a) Concurrently with the execution of this Agreement, the Seller shall file a motion with the Court for the issuance of the SISP Approval Order. Such motion shall be scheduled for a date that is on or before September 11, 2017, or such later date as may be scheduled due to court availability or pursuant to direction of the Court.

(b) Within the time period provided for in the SISP, the Seller shall file a motion with the Court for the issuance of the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before December 8, 2017, or such later date as may be scheduled due to court availability or pursuant to direction of the Court.

(c) The Buyer shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the SISP Approval Order and the Approval and Vesting Order (collectively, the "**Court Orders**").

(d) The Seller shall use its best efforts to obtain the Court Orders as promptly as practicable.

(e) The Buyer and its legal counsel shall be given a reasonable opportunity to review and comment on (i) the motion for the issuance of the SISP Approval Order; (ii) the motion for the issuance of the Approval and Vesting Order; and (iii) any other materials prepared in connection with obtaining the Court Orders, which shall each be in form and substance satisfactory to the Buyer prior to being served. Such reasonable opportunity to review and comment shall also be provided by the Seller to the Buyer in connection with any motions brought by the Seller for an order compelling the assignment of Restricted Rights pursuant to Section 2.5 hereof.

(f) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on all Persons required to, in the Seller's knowledge, receive notice under Applicable Laws and the requirements of the Court, and any other Person determined necessary by the Seller or the Buyer.

ARTICLE 9
TERMINATION

9.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

(a) subject to any approvals required from the Court or otherwise pursuant to the CCAA Proceedings, and with the consent of the Monitor, by mutual written consent of the Seller and the Buyer;

(b) by either Party, upon written notice to the other, if a Governmental Authority issues an order prohibiting the transactions contemplated hereby, which order shall have become final and non-appealable;

(c) by the Seller upon written notice to the Buyer and with the consent of the Monitor, if there has been a material violation or breach by the Buyer of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 6.1 or 6.3 on the Closing Date and such violation or breach has not been waived by the Seller or cured within five (5) days after written notice thereof from the Seller, unless the Seller is in material breach of their obligations under this Agreement;

(d) by the Buyer upon written notice to the Seller, if there has been a material violation or breach by the Seller of any covenant (save and except for the covenants set out in Section 7.2), representation or warranty which would prevent the satisfaction of any condition set forth in Section 6.1 or 6.2 on the Closing Date and such violation or breach has not been waived by the Buyer or cured within five (5) days after written notice thereof from the Buyer, unless the Buyer is in material breach of their obligations under this Agreement; and

(e) subject to Section 9.2, by the Buyer upon written notice to the Seller, in the event that IESO has not provided its consent to the assignment to the Buyer of all feed-in-tariff agreements between the Seller and IESO and any amendments thereto that are required by the Buyer, acting reasonably, in order to permit the Buyer to be in compliance with such agreements as at the time of assignment, by February 28, 2018.

9.2 Restriction of Buyer's Right to Terminate Agreement

Notwithstanding the provisions of Subsections 9.1(a) and 9.1(c) - 9.1(e), the Buyer shall not be entitled to terminate this Agreement (including any increased offer to purchase the Purchased Assets by the Buyer pursuant to the Auction (as defined in the SISP), if any) until the earlier of: (i) the occurrence of any event listed in subsection 9.1(b); and (ii) the closing of a transaction for the purchase of the Plant (as defined in the Escrow Agreement) with a party other than the Buyer pursuant to the SISP; and (iii) the date that is the later of the following: (A) the closing of the Bank Debt Purchase (as defined in the Escrow Agreement); or (B) the date upon which the notice contemplated in section 5(b)(ii)(B) of the Escrow Agreement in respect of the Bank Debt Purchase is delivered by the Agent in accordance with such section.

9.3 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Sections 9.2 and 9.4 and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

9.4 Expense Reimbursement and Transaction Fee

(a) If the Buyer is not the Successful Bidder (as defined in the SISP) pursuant to the SISP, the Buyer shall be entitled to reimbursement for its expenses and a transaction fee in connection with the Transaction in the aggregate amount of $300,000 (the "**Expense Reimbursement and Transaction Fee**"). Such amount shall be payable by the Seller to the Buyer in immediately available funds to an account designated by the Buyer concurrently with such closing.

(b) The payment of the Expense Reimbursement and Transaction Fee shall be approved in the approval and vesting order contemplated by the SISP and shall be made in priority to amounts secured by existing security, except as provided in the approval and vesting order contemplated by the SISP. Each of the Parties acknowledges that the agreements contained in this Section 9.4 are an integral part of the Transaction and that, without those agreements, the Parties would not enter into this Agreement. The Parties further acknowledge and agree that the Expense Reimbursement and Transaction Fee is a payment of liquidated monetary damages which are a genuine pre-estimate of the costs and damages which the Buyer will suffer or incur as a result of the non-completion of this Agreement, that such payment is not for lost profits or a penalty, and that no Party shall take any position inconsistent with the foregoing. The Seller irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. Each of the Parties hereby acknowledges and agrees that, under circumstances where the Buyer is entitled to the Expense Reimbursement and Transaction Fee and such amounts are paid in full to the Buyer, the Buyer shall be precluded from any other remedy against the Seller at law or in equity or otherwise and in any such case it shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the Seller or any of its respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the Transaction.

Subject to the last sentence of the preceding paragraph, nothing in this Section 9.4 shall preclude any Party or the Monitor from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any such covenants or agreement, and any requirement for securing or posting of any bond in connection with the obtaining of any such injunction or specific performance is hereby being waived.

ARTICLE 10
CLOSING

10.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date at the Toronto, Ontario offices of Torys LLP, or at such other location as may be agreed upon by the Parties hereto.

10.2 Closing Deliveries

(a) Subject to Section 2.5, at the Closing, the Seller shall deliver to the Buyer the documents required to be delivered by the Seller pursuant to Sections 6.1 and 6.2.

(b) At the Closing, the Buyer shall deliver to the Seller:

(i) the Escrowed Purchase Price Amount;

(ii) the Cash Component;

(iii) instruments of assumption of liabilities with respect to the Index Secured Debt in a form satisfactory to the Seller, acting reasonably;

(iv) an instrument of assumption of liabilities with respect to the Assumed Liabilities (other than the Index Secured Debt) in a form satisfactory to the Seller, acting reasonably;

(v) releases from each of Index Residence and Index Equity with respect to the Index Secured Debt in forms satisfactory to the Seller, acting reasonably;

(vi) a duly executed election pursuant to HST Legislation and any certificates, elections or other documents required to be delivered pursuant to Section 7.5(d);

(vii) the documents required to be delivered by the Buyer pursuant to Section 6.3; and

(viii) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

10.3 Monitor's Certificate

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Seller and the Buyer that (i) all conditions to Closing set forth in Article 6 have been satisfied or waived, and (ii) the Buyer has paid, and the Seller has received, the Purchase Price, and the Monitor will have no liability to the Seller or the Buyer or any other Person as a result of filing the Monitor's Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).

ARTICLE 11
GENERAL MATTERS

11.1 Confidentiality

(a) Except to the extent otherwise specifically provided in this Section 11.1, each Party, on behalf of itself and its affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 11.1 by any of its affiliates and its and their respective directors, employees, advisors, agents and representatives.

(b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to appropriate Tax authorities in order to describe the tax treatment and tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.

(c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record keeping policies.

(d) Any Confidential Information of the Seller that constitutes part of the Purchased Assets will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

11.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; and (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws. The Parties further agree that:

(a) the Monitor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof; and

(b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

11.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1.

11.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

11.5 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates; or (ii) direct that title to all or some of the Purchased Assets be transferred to, and the corresponding Assumed Liabilities be assumed by, one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder; provided further that if the Buyer shall have assigned all of its rights and obligations hereunder the Buyer shall, immediately following the Closing, be deemed fully released from all of the Buyer's obligations hereunder. References to the Buyer's residency for Tax purposes and to the Buyer's status under the *Investment Canada Act* are references to the ultimate Buyer. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the express third party beneficiaries of Section 11.4 hereof.

11.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

Index Residence AB (publ)
1044 N US Highway One, Suite 101
Jupiter, FL 33477
USA

Attention: Bjarne Borg
Email: bjarne.borg@indexinvest.com

with copies (which shall not in itself constitute notice) to:

Torys LLP
TD Centre
79 Wellington Street West, 30th Floor
Toronto, Ontario
M5K 1N2

Attention: Jonathan Weisz/David Bish

Email: jweisz@torys.com/dbish@torys.com

(b) If to the Seller at:

Index Energy Mills Road Corporation
170 Mills Road
Ajax, Ontario
L1S 2H1

Attention: Rickard Haraldsson
Email: rickard.haraldsson@indexinvest.com

with copies (which shall not in itself constitute notice) to:

Cassels Brock & Blackwell LLP
40 King Street West
#2100
Toronto, Ontario
M5H 3C2

Attention: Shayne Kukulowicz /Jane Dietrich
Email: skukulowicz@casselsbrock.com/jdietrich@casselsbrock.com

and to:

Grant Thornton LLP
200 King Street West
11th Floor
Toronto, Ontario
M5H 3T4

Attention: Michael Creber/Jason Knight
Email: michael.creber@ca.gt.com/jason.knight@ca.gt.com

and to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street
Suite 3400
Toronto, Ontario
M5H 2S7

Attention: Brian Empey /Melaney Wagner
Email: bempey@goodmans.ca/mwagner@goodmans.ca

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

11.7 Counterparts; Facsimile Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

INDEX ENERGY MILLS ROAD CORPORATION

By: ____________________________

Name: Rickard Haraldsson

Title: Director

By: ____________________________

Name:

Title:

INDEX RESIDENCE AB (PUBL)

By: ____________________________

Name: **Bjarne Borg**

Title: **Director**

By: ____________________________

Name:

Title:

Schedule 1.1(g)

Form of Approval and Vesting Order

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE REGIONAL	)		, THE
	)		
SENIOR JUSTICE MORAWETZ	)	DAY OF	, 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**")

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicant for an order approving the sale transaction (the "Transaction") contemplated by the asset purchase agreement (the "Sale Agreement") between the Applicant and Index Residence AB (publ) (and any of its designees or assignees thereunder, as applicable, the "Purchaser") dated September ■, 2017, and appended to ■, and vesting in the Purchaser the Applicant's right, title and interest in and to the Purchased Assets (as such term is defined in the Sale Agreement), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING ■, filed, and on hearing the submissions of counsel for the Applicant, Grant Thornton Limited, in its capacity as the monitor of the Applicant (the "Monitor"), and the

Purchaser, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ■ sworn ■, 2017, filed:

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 AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, with such minor amendments as the Monitor, the Applicant and the Purchaser may agree upon pursuant to the terms of the Sale Agreement. The Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Monitor's Certificate"), all of the Applicant's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Regional Senior Justice Morawetz dated August 16, 2017, and any other encumbrances or charges created in these CCAA proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" or the Assumed Liabilities (as defined in the Sale Agreement)) and, for greater certainty, this Court

orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Durham No. 40 of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule "B" hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule "C" hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that any amounts remaining in reserve with respect to the Administration Charge Amount (as defined in the Sale Agreement) after payment of all amounts secured by the Administration Charge (as defined in the Sale Agreement), if any, shall forthwith be remitted by the Monitor to the Buyer without set-off or deduction and the Administration Charge shall be deemed to be discharged.

8. THIS COURT ORDERS that any amounts paid by the Buyer on account of the Directors' Charge (as defined in the Sale Agreement), shall forthwith be remitted by the Monitor to the Buyer without set-off or deduction upon the determination by the Monitor that such amounts are in excess of amounts required to make payments secured by the Directors' Charge and the Directors' Charge shall be deemed to be [reduced by such amounts] [or] [discharged].

9. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Monitor is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant's past and current employees, including personal information of those employees, pursuant to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.

10. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicant and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Applicant;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. [THIS COURT ORDERS that the articles of the Applicant be amended in accordance with the Articles of Reorganization attached as Schedule "E" hereto with effect from and after the Closing Date (as defined in the Sale Agreement).]

12. [THIS COURT ORDERS that the Applicant and/or the Monitor are authorized and directed to send the Articles of Reorganization attached hereto as Schedule "E" to the Director appointed under section 278 of the *Business Corporations Act* (Ontario), R.S.O., c.B.16, as amended, promptly after the Closing Date.]

13. [THIS COURT ORDERS the Monitor to send a copy of this Order, together with a copy of the Articles of Reorganization of the Applicant, when filed, to all parties that have filed a registration under the *Personal Property Security Act* (Ontario), or similar provincial legislation, against the Applicant.]

14. [THE COURT ORDERS that, upon the filing of the Monitor's Certificate the title of these proceedings be and is hereby changed to

"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 ●
(formerly known as Index Energy Mills Road Corporation)"]

15. 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 and the Monitor and each of 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 Monitor, as an officer of this Court and the Applicant as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and each of their respective agents and its agents in carrying out the terms of this Order.

____

Schedule "A"

Form of Monitor's Certificate

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

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 INDEX ENERGY MILLS ROAD CORPORATION

(the "**Applicant**")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Regional Senior Justice Morawetz of the Ontario Superior Court of Justice (the "Court") dated August 16, 2017, Grant Thornton Limited was appointed as the monitor (the "Monitor") of the Applicant.

B. Pursuant to an Order of the Court dated ■, 2017, the Court approved the asset purchase agreement (the "Sale Agreement") between the Applicant and Index Residence AB (publ) (and any of its designees or assignees hereunder, as applicable, the "Purchaser") dated ■, 2017, and provided for the vesting in the Purchaser of the Applicant's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in [Article 6] of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid, and the Applicant has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in [Article 6] of the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ________ [TIME] on _______ [DATE].

GRANT THORNTON LIMITED, in its capacity as Monitor of the Applicant, and not in its personal capacity

Per: ________________________________

Name:

Title:

Schedule "B"

Real Property

PIN 26459-0125(LT)

Legal Description:

PT LOT 3 PL M30 PTS 1 & 2, PLAN 40R4882 AND PT 1, PLAN 40R4883; T/W ALL APPURTENANCES AND ALL EQUIPMENT THERETO, INCLUDING THE DISTRIBUTION SYSTEM OF THE BUILDING ERECTED ON THE SAID LANDS, KNOWN AS THE STEAM GENERATING PLANT AS PRESENTLY IN OPERATION. THE BURDEN AND BENEFIT OF THE RIGHTS GRANTED IN TRANSFER OF EASEMENT LTC14083, OVER THE ABOVE PCL. THE BURDEN AND BENEFIT OF THE RIGHTS HEREBY GRANTED IN TRANSFER OF EASEMENT LTC24967, REGISTERED 22/12/69, SHALL RUN WITH THE LAND AND SHALL EXTEND TO AND BE BINDING UPON AND ENURE TO THE PARTIES HERETO AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, S/T LT114518; TOWN OF AJAX

PIN 26459-0017(LT)

Legal Description:

PT LT 3 PL 512 AJAX PT 1, 40R8366; AJAX

Schedule "C"

Claims to be deleted and expunged from title to Real Property

PIN 26459-0125(LT) & PIN 26459-0017(LT):

1. [DR1193360 registered July 15, 2013 being a Charge in favour of National Bank of Canada securing the principal amount of $210,000,000;]

2. [DR1255216 registered April 3, 2014 being a Notice between Index Energy Mills Road Corporation and National Bank of Canada relating to DR1193360;]

3. [DR1255248 registered April 3, 2014 being a Postponement from National Bank of Canada to The Regional Municipality of Durham;]

4. DR1357015 registered April 28, 2014 being a Construction Lien from HMI Construction Inc. in the amount of $31,347,390;

5. DR1376552 registered June 30, 2015 being a Certificate of Action from HMI Construction Inc.;

6. DR1397223 registered August 31, 2015 being a Construction Lien from HMI Construction Inc. in the amount of $1,460,078.00;

7. DR1407722 registered October 1, 2015 being a Certificate of Action from HMI Construction Inc.

Schedule "D"

Permitted Encumbrances, Easements and Restrictive Covenants

(unaffected by the Vesting Order)

1. Encroachments disclosed by and any errors or omissions in existing surveys of the Real Property made available to the Purchaser;

2. Inchoate or statutory liens for unpaid taxes, local improvement rates or water rates;

3. Any municipal by-laws or regulations affecting the Real Property or its use and any other municipal land use instruments including, without limitation, official plans and zoning and building by-laws, as well as decisions of the Committee of Adjustment or any other competent authority permitting variances therefrom, and all applicable building codes, in each case which do not materially impair the present use of the Purchased Assets;

4. All development, subdivision and site plan agreements, provided that the same are complied with insofar as they affect or relate to the Purchased Assets;

5. Registered restrictive covenants, private deed restrictions and other similar land use control agreements;

6. Easements for the supply of utilities or telephone services to the Real Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services;

7. Registered easements or rights-of-way for the passage, ingress and egress of persons and vehicles over parts of the Real Property.

8. Any minor title defects, irregularities, easements, encroachments, rights-of-way or other discrepancies in title or possession relating to the Real Property;

9. Any reservations, limitations, provisos and conditions expressed in the original grant from the Crown as the same may be varied by statute;

10. In respect of the Real Property further described in Schedule "B" hereto:

PIN 26459-0125(LT) only:

(a) Exceptions, reservations and easements contained in Transfer of Easement LTC14083 and LTC24967, to the extent applicable to such parcel;

(b) LT209440Z registered July 12, 1984 being certain Restrictive Covenants;

(c) LTC3716 registered September 29, 1961 being a By-law;

(d) LT660998 registered November 19, 1993 being a By-law.

PIN 26459-0125(LT) & PIN 26459-0017(LT):

(e) DR431409 registered September 26, 2005 being a Notice from Her Majesty the Queen in Right of Canada as Represented by The Minister of Transport regarding airport zoning regulations;

(f) DR723542 registered June 26, 2008 being a Transfer from 2047330 Ontario Limited to Index Energy Mills Road Corporation;

(g) DR968003 registered February 2, 2011 being a Notice by The Corporation of the Town of Ajax;

(h) DR982099 registered April 7, 2011 being a By-law which amends By-law 165-91;

(i) DR984650 registered April 18, 2011 being a Transfer from The Corporation of the Town of Ajax to Index Energy Mills Road Corporation;

(j) DR984651 registered April 18, 2011 being an Application to Consolidate by Index Energy Mills Road Corporation;

(k) DR984678 registered April 18, 2011 being a Notice from The Corporation of the Town of Ajax to Index Energy Mills Road Corporation;

(l) DR1193361 registered July 15, 2013 being a Charge in favour of Index International AB (PUBL) securing the principal amount of $35,000,000;

(m) DR1194663 registered July 19, 2013 being a Notice from The Corporation of the Town of Ajax;

(n) DR1196379 registered July 26, 2013 being a Notice from The Regional Municipality of Durham;

(o) DR1255249 registered April 3, 2014 being a Postponement from Index International AB (PUBL) to The Regional Municipality of Durham;

(p) DR1573357 registered March 6, 2017 being an Application to Change Name with respect to the Charge in favour of Index International AB (PUBL) who changed its name to Index Residence AB (PUBL);

(q) DR1587534 registered April 25, 2017 being a Court Order with respect to Construction Lien registered as DR1357015.

PIN 26459-0017(LT) only:

(r) CO97966 registered September 29, 1961 being a By-law;

(s) DR723543 registered June 26, 2008 being a Transfer from 2047330 Ontario Limited to Index Energy Mills Road Corporation.

Schedule "E"

Articles of Amendment

[Insert Articles of Amendment]

Schedule 1.1(sss)

SISP

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

Attention: Michael Creber / Harbir Gill
Email: michael.creber@ca.gt.com / harbir.gill@ca.gt.com
Fax: 1-416-360-4949

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.

This is **Exhibit "F"**
to the affidavit of **Derek Blais** sworn
before me this 1st day of September,
2017

....
A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019.

ESCROW AGREEMENT

THIS AGREEMENT made as of September 1, 2017.

A M O N G:

NATIONAL BANK OF CANADA, in its capacity as administrative agent for and on behalf of the Lenders and the Hedge Providers (each as defined in the Credit Agreement (defined below))
(hereinafter called **"NBC"**)

- and -

INDEX RESIDENCE AB (PUBL) (hereinafter called **"Index Residence"**)

- and -

INDEX ENERGY MILLS ROAD CORPORATION
(hereinafter called the "**Borrower**")

- and -

GRANT THORNTON LIMITED, in its capacity as Court-appointed Monitor of Index Energy Mills Road Corporation and not in its personal or corporate capacity (hereinafter called the **"Escrow Agent"**)

RECITALS:

A. NBC and the Borrower, among others, are party to a credit agreement dated as of July 15, 2013 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), pursuant to which the Secured Creditors have made loans and certain other accommodations to the Borrower (the "**Bank Debt**").

B. Pursuant to an application by the Borrower under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Proceeding**"), the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued an initial order in the CCAA Proceeding on August 16, 2017 (the "**Initial Order**"). Grant Thornton Limited has been appointed as monitor of the Borrower within the CCAA Proceeding (the "**Monitor**").

C. In accordance with and as approved by the Initial Order, an affiliate of Index Residence has provided interim financing ("**DIP Financing**") to fund the Borrower's ongoing cash requirements during the pendency of the CCAA Proceeding. The terms and priority of the DIP Financing are set out in the Initial Order.

D. On September 11, 2017, the Borrower will bring a motion within the CCAA Proceeding for certain relief including, without limitation, authorization to commence a sales and investment solicitation process (the "**SISP**"). As part of the SISP and subject to Court approval, Index Residence has agreed pursuant to a stalking horse agreement with the

Borrower dated as of the date hereof (the "**Stalking Horse APA**") to purchase substantially all of the assets, property, undertakings and business of the Borrower (collectively, the "**Purchased Assets**"). The sale of the Purchased Assets to Index Residence (or any affiliate of Index Residence) pursuant to the SISP, whether pursuant to the Stalking Horse APA or at the Auction (as defined in the SISP), is referred to herein as the "**Purchase**".

E. As a condition of its support for the CCAA Proceeding, including the DIP Financing, the SISP and the Stalking Horse APA, NBC has required that Index Residence agree to deposit $10 million (the "**Escrow Funds**") with the Escrow Agent to be released in accordance with the terms hereof.

F. The Escrow Agent has agreed to undertake and perform its duties according to the terms and conditions hereof.

NOW THEREFORE, in consideration of the aforesaid agreements and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereby covenant and agree with each other as follows:

1. Capitalized terms used and not otherwise defined herein have the meanings given in the Credit Agreement.

2. Each of Index Residence and NBC hereby appoints the Escrow Agent to act in accordance with the terms of this agreement, and the Escrow Agent accepts such appointment on the terms and conditions of this agreement.

3. Index Residence, NBC and the Escrow Agent agree as follows:

   (a) this agreement shall become effective with respect to the Escrow Agent on the date the Court grants an order in a form satisfactory to the Escrow Agent authorizing the Monitor to act as escrow agent hereunder and confirming that the protections of the Monitor granted in the Initial Order apply in its capacity as Escrow Agent (the "**Escrow Approval Order**");

   (b) on or prior to September 8, 2017 Index Residence will deposit or cause to be deposited the Escrow Funds with the Monitor, in trust, by wire transfer to the account listed on the attached Exhibit B. Any fees for such transfer will be for Index Residence's account;

   (c) the Monitor will inform NBC, the Borrower and Index Residence of confirmation of receipt of the Escrow Funds, in trust, in section 3(b) above by written notice;

   (d) on or within one Business Day following the date of the Escrow Approval Order, the Monitor shall transfer the control of the Escrow Funds to the Escrow Agent. The term "**Escrow Amount**" used herein shall mean the Escrow Funds, plus any interest thereon, less fees, expenses and disbursements of the Escrow Agent deducted pursuant to section 11, if any, and less any withholding and deductions required by applicable law;

(e) the Escrow Agent will inform NBC, the Borrower and Index Residence of confirmation of receipt of control of the Escrow Funds in section 3(d) above by written notice;

(f) subject to subsections (g), (h) and (i) below, the Escrow Amount will be released as follows:

(i) upon a successful closing of the Purchase, to the Monitor to be applied toward the purchase price to be paid by, or as directed by, Index Residence (or an affiliate of Index Residence who may be the purchaser in respect of the Purchase, as the case may be) in respect of the Purchase;

(ii) upon a breach by NBC of its covenant in favor of Index Residence set out at section 8 below, to Index Residence or as Index Residence may otherwise direct;

(iii) upon a breach by Index Residence of any of its covenants in favor of NBC set out at section 5 below, to NBC to be applied as a partial repayment of the outstanding Bank Debt;

(iv) [redacted]

(v) upon an election by NBC (on behalf of the Secured Creditors), in accordance with section 6 below, not to sell the Bank Debt to Index Residence or an affiliate of Index Residence, to Index Residence or as Index Residence may otherwise direct; or

(vi) upon an election by NBC (on behalf of the Secured Creditors), in accordance with section 6 below, to sell the Bank Debt to Index Residence or an affiliate of Index Residence, to NBC to be applied toward the purchase price to be paid in respect of the Bank Debt Purchase (defined below);

(g) upon satisfaction of a condition to release set out in section 3(f) above, Index Residence and NBC will deliver a Release of Escrow Certificate in the form attached hereto as Exhibit A to the Escrow Agent, which Release of Escrow Certificate may be signed in counterparts, in original form or by facsimile signature;

(h) only upon receipt of the duly signed Release of Escrow Certificate will the Escrow Agent release the Escrow Amount to the applicable person(s) specified in the Release of Escrow Certificate; and

(i) in the Escrow Agent's sole discretion, in the event of a dispute between the parties hereto as to whether or not any of the foregoing conditions to release of the Escrow Amount have been satisfied, the Escrow Agent may cause the Escrow Amount to be deposited into Court pending binding resolution of such dispute or as the parties may otherwise agree, and upon such deposit the Escrow Agent shall be automatically released and discharged from any and all further obligations to perform any and all duties and obligations imposed upon the Escrow Agent under this agreement but shall continue to benefit from the rights and protections conferred upon the Escrow Agent hereunder.

4. The parties agree as follows:

(a) Until such time as the Escrow Amount is distributed by the Escrow Agent as provided herein, the Escrow Agent shall hold the Escrow Amount in its trust account (the "**Trust Account**"), which is identified in Exhibit B of this agreement. At any time prior to the distribution of the Escrow Amount by the Escrow Agent as provided herein, Index Residence may, by notice to the Escrow Agent, request that the Escrow Amount be invested in an interest-bearing account, a banker's acceptance, other short term interest bearing instrument of a bank listed in Schedule I of the *Bank Act* (Canada) or such other investments permitted by the Law Society of Upper Canada as Index Residence and NBC shall mutually agree. The interest earned on the investment of the Escrow Amount shall be held and reinvested from time to time in accordance with the forgoing provisions, and a separate account shall be maintained by the Escrow Agent in its books for the Escrow Amount. Any and all risks related to the investment of the Escrow Amount as set forth in this section 4 shall be assumed solely and exclusively by Index Residence, and neither the Escrow Agent nor NBC shall be in any way liable or required to indemnify or reimburse Index Residence for any losses that are incurred in connection with such investment. The Escrow Agent has no liability for any loss sustained as a result of any investment made in accordance with the terms of this agreement or any liquidation or redemption of an investment prior to its maturity.

(b) If, during the period in which the Escrow Amount is retained in escrow and invested pursuant hereto, any interest is paid on such funds, such interest will be for the account of Index Residence in the case of sections 3(f)(i), 3(f)(ii), 3(f)(iv) and 3(f)(v), and will be paid to NBC by wire transfer as directed by NBC in the case of sections 3(f)(iii) and 3(f)(vi).

5. Index Residence covenants in favor of NBC that:

(a) in the event that (i) the Purchase does not close by February 28, 2018, and (ii) no other transaction pursuant to the SISP for the sale of the Plant to a third party has closed by February 28, 2018, Index Residence or an affiliate of Index Residence will offer to purchase the entirety of the outstanding Bank Debt and all rights and interest of NBC and all of the Secured Creditors in and to the Bank Debt, Credit Facilities and Credit Facility Documents, in accordance with the process set out at section 6 below (the "**Bank Debt Purchase**"); and

(b) the Stalking Horse APA, as well as any increased offer to purchase the Purchased Assets submitted by Index Residence (or any affiliate of Index Residence) as part of the SISP, shall remain irrevocable and open for acceptance by the Borrower until the earlier to occur of (i) closing of the Purchase, and (ii) (A) closing of the Bank Debt Purchase, or (B) notice by NBC pursuant to section 6 below of rejection of the offer by Index Residence or an affiliate of Index Residence, as the case may be, in respect of the Bank Debt Purchase.

6. In the event that the Purchase does not close by February 28, 2018 and no other transaction pursuant to the SISP for the sale of the Plant to a third party has closed by such date, and unless otherwise agreed in writing by the parties hereto, Index Residence (or an affiliate of Index Residence) will as soon as practicable (but in any event within 5 Business Days) give notice to NBC of its offer to purchase the entirety of the outstanding Bank Debt and all rights and interest of NBC and all of the Secured Creditors in and to the Bank Debt, Credit Facilities and Credit Facility Documents. Within 5 Business Days of receipt of such notice, NBC shall confirm to Index Residence whether it accepts such offer on behalf of the Secured Creditors. If NBC, on behalf of the Secured Creditors, elects to accept such offer, the parties will, acting reasonably, work together to complete such Bank Debt Purchase, pursuant to the terms of a loan sale and assignment agreement substantially in the form attached as Exhibit C hereto (including, for certainty, the purchase price reflected therein), within 10 Business Days of NBC's confirmation of such acceptance to Index Residence. The covenant of Index Residence to offer or to cause an offer in respect of the Bank Debt Purchase, and following acceptance of such offer by NBC, to close or cause the closing of the Bank Debt Purchase as described in section 3(f)(vi) above and this section 6, is subject to (i) NBC not taking any action following the date hereof and prior to a closing of such Bank Debt Purchase that could reasonably be expected to adversely affect the validity, effectiveness, enforceability and perfection of the Credit Facility Documents and Security, and (ii) compliance by NBC with its covenant in section 8 below.

7. NBC acknowledges and agrees that the Stalking Horse APA provides for, and the Purchase shall include, the Purchased Assets (including, for certainty, an assignment of the Power Purchase Agreement (in accordance with the terms of the Stalking Horse APA) and all other assets which are, in the reasonable opinion of Index Residence, necessary for the operation of the Plant and continuation of the business of the Borrower and excluding any assets that Index Residence does not want or require) on an as is, where is basis, subject to Court approval and free and clear of all Liens (including, for certainty, Liens in favor of the EPC Contractor and any subcontractor thereof) other than any Liens which are acceptable to Index Residence in its discretion.

8. On the basis of the foregoing, NBC hereby covenants in favor of Index Residence to consent to orders of the Court substantially in the form of the draft Court orders attached hereto as Exhibit D, which among other things approves the SISP (including the Stalking Horse APA) and confirms that the amount which the Borrower is authorized to borrow under the DIP Credit Agreement (as defined in the Initial Order) is $5 million.

9. If the Escrow Agent should wish to resign, it shall give 5 days' notice to the other parties hereto, who may by writing appoint another person to act as escrow agent in its place and such appointment shall be binding on them and the new escrow agent shall assume and be bound by the terms hereof. Upon its resignation in accordance with this section 9, the

Escrow Agent shall deliver the Escrow Amount by wire transfer as directed by Index Residence and NBC, failing which, the Escrow Agent shall pay such amount into Court and the Escrow Agent shall be discharged from all further duties and liabilities hereunder but shall continue to benefit from the rights and protections conferred upon the Escrow Agent hereunder.

10. Without in any way limiting the provisions of the Escrow Approval Order, the Escrow Agent shall benefit from the following protections:

(a) The Escrow Agent shall be fully protected in acting and relying reasonably upon any written notice, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document whether an original, a facsimile or electronic copy, including, without limitation, a Release of Escrow Certificate (collectively referred to as "**Documents**") furnished to it and signed by any person required to or entitled to execute and deliver to the Escrow Agent any such Documents in connection with this agreement, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine. The Escrow Agent has the right not to act and will not be held liable for refusing to act unless it has received clear and reasonable Documents which comply with the terms of this agreement. Such Documents must not require the exercise of any discretion or independent judgment on the part of the Escrow Agent.

(b) The duties and obligations of the Escrow Agent hereunder shall be governed solely by the provisions of this agreement. The Escrow Agent shall have no duties or responsibilities except as expressly provided in this agreement, and no implied duties or obligations shall be read into this agreement against the Escrow Agent. The Escrow Agent shall have no duty to enforce any obligation of any Person and shall have no liability or responsibility arising under any other agreement, including any agreement referred to in this agreement, to which the Escrow Agent is not a party.

(c) The Escrow Agent shall not be liable for any mistake of fact or law or any action taken or omitted by it, or any action suffered by it to be taken or omitted, in good faith, and in the exercise of its own best judgment, and shall not be held liable for any error in judgment made in good faith and shall have no liability or responsibility arising under any other agreement, including any agreement referred to in this agreement, to which the Escrow Agent is not a party.

(d) If the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any party hereto or from a third Person with respect to any matter arising pursuant to this agreement which, in its opinion, are in conflict with any provision of this agreement, it shall be entitled to refrain from taking any action authorized and directed hereunder until it shall be authorized or directed otherwise in writing by Index Residence, NBC and such third Person, or by a final order of a court of competent jurisdiction.

11. The Escrow Agent's fees, expenses and disbursements, if any, shall be paid in full by the Borrower directly. Should any amount owing hereunder and remaining unpaid (i) after

thirty (30) days from the invoice date, or (ii) at the time that the Escrow Amount is to be released by the Escrow Agent or the Escrow Agent resigns or is discharged in accordance with this agreement, the Escrow Agent shall be entitled to be paid from the Escrow Amount. The Escrow Agent may retain legal counsel and advisors as may be reasonably required for the purpose of discharging its duties or determining its rights under this agreement, and may rely and act upon the advice of such counsel or advisor. The cost of such services shall be added to and be part of the Escrow Agent's fees hereunder.

12. Each of Index Residence and NBC hereby releases the Escrow Agent (and its partners, employees and agents) from any and all actions, proceedings, losses, liabilities, costs, claims and demands incurred or sustained by the Escrow Agent (or its partners, employees and agents) in respect of any matter or thing done by it under, pursuant to or in connection with this agreement, or otherwise arising in connection with its office as Escrow Agent hereunder, except in so far as the same arose through the gross negligence or willful misconduct on the part of the Escrow Agent. The provisions of this section 12 survive the termination of this agreement, the resignation or removal of the Escrow Agent, and the final disbursement of the Escrow Amount.

13. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by email or other means of electronic communication or by hand delivery as hereinafter provided. Any notice, if sent by email or other means of electronic communication, will be deemed to have been received on the business day following the sending unless earlier receipt is acknowledged in writing by the recipient or, if delivered by hand, will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this section but will only be effective on the actual delivery. Notices and other communications will be addressed as follows:

(a) if to the Borrower, at:

170 Mills Road
Ajax, Ontario
L1S 2H1

Attention: Rickard Haraldsson
Email: Rickard.haraldsson@indexinvest.com

(b) If to Index Residence, at:

1044 N. U.S. Hwy One, Suite 101
Jupiter, Florida 33477

Attention: Bjarne Borg
Email: bjarne.borg@indexinvest.com

(c) if to NBC, at:

Special Loans Group, 9th Floor
600, Rue de La Gauchetiere Ouest
Montreal, Quebec H3B 4L2

Attention: Jean Gosselin
Email: Jean.Gosselin@bnc.ca

(d) if to the Escrow Agent, at:

Grant Thornton Limited
200 King Street West, 11th Floor
Box 11
Toronto, Ontario
M5H 3T4

Attention: Michael Creber
Email: michael.creber@ca.gt.com

14. This agreement may be executed in one or more counterparts, by original or facsimile signature, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same agreement and notwithstanding their date of execution shall be deemed to be executed on the date indicated above.

15. This agreement may only be amended, modified or supplemented by written agreement executed by all parties hereto.

16. If any provision of this agreement is invalid or unenforceable, such provision shall be severed and the remainder of this agreement shall be unaffected thereby but shall continue to be valid and enforceable to the fullest extent permitted by law.

17. When the singular or masculine are used throughout this agreement, the same shall be construed as being the plural or feminine or neuter where the context so requires.

18. This agreement shall enure to the benefit of and be binding upon each of the parties hereto and each of their successors and permitted assigns.

19. This agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto submit to the exclusive jurisdiction of the courts of the Province of Ontario, Canada in respect of any dispute which may arise between any of them concerning this agreement or the arrangements for which it provides and they waive any right to claim that such jurisdiction is an inappropriate or inconvenient forum.

20. Time is of the essence for all purposes of this agreement.

21. All dollar amounts in this agreement are Canadian dollars.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

INDEX RESIDENCE AB (PUBL)

By:__________________________________
Name: **Bjarne Borg**
Title: **Director**

By:__________________________________
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

INDEX ENERGY MILLS ROAD CORPORATION

By: _______________________

Name: Richard Haraldsson

Title: Director

By: _______________________

Name:

Title:

[*Signature page to Escrow Agreement*]

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

NATIONAL BANK OF CANADA as Administrative Agent under the Credit Agreement

By:______________________________

Name: D. WILLIAM KENNEDY

Title: VICE PRESIDENT

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

GRANT THORNTON LIMITED, in its capacity as Court-appointed Monitor of Index Energy Mills Road Corporation and not in its personal or corporate capacity

By:______________________________

Name: Michael Creber

Title: Senior Vice-President

EXHIBIT A

Release of Escrow

To Grant Thornton Limited Date: [■]

Attention: [■]

Re Release of Escrow Certificate

By its signature below each of the undersigned hereby irrevocably agrees that the condition precedent to the release of the Escrow Amount pursuant to the Escrow Agreement dated September 1, 2017 (the "**Escrow Agreement**") between Index Residence AB (publ), National Bank of Canada (as administrative agent), Index Energy Mills Road Corporation and Grant Thornton Limited, in its capacity as Court-appointed Monitor of Index Energy Mills Road Corporation (the "**Escrow Agent**") set forth in section **[insert applicable subsection reference from 3(f)(i) to (vi)]** has been met in full and that the Escrow Agent is directed to release the Escrow Amount to [■] (or as [■] otherwise directs) by way of transfer to **[INSERT ACCOUNT INFORMATION]**, in accordance with section 3(f) of the Escrow Agreement. Terms used in this Release of Escrow Certificate have the same meanings as defined in the Escrow Agreement.

This certificate may be executed in one or more counterparts, by original or facsimile signature or other electronic means, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same certificate and notwithstanding their date of execution shall be deemed to be executed on the date indicated above.

This certificate shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto submit to the exclusive jurisdiction of the courts of the Province of Ontario, Canada in respect of any dispute which may arise between any of them concerning this certificate or the arrangements for which it provides and they waive any right to claim that such jurisdiction is an inappropriate or inconvenient forum.

INDEX RESIDENCE AB (PUBL)	**NATIONAL BANK OF CANADA as Administrative Agent under the Credit Agreement**
By:________________________	By:________________________
Name: Title:	Name: Title:
By:________________________	By:________________________
Name: Title:	Name: Title:

EXHIBIT B

FIELD NAME	FORMAT FOR PAYMENT
INTERMEDIARY BANK	JP MORGAN CHASE BANK - NEW YORK SWIFT BIC CHASUS33 FED ABA 021000021
DESTINATION BANK	ROYAL BANK OF CANADA - TORONTO SWIFT BIC ROYCCAT2
BENEFICIARY'S BANK	ROYAL BANK OF CANADA Main Branch – Toronto 200 Bay Street - Toronto ON M5J 2J5 Institution - // CC 0003 SWIFT BIC ROYCCAT2
BENEFICIARY BENEFICIARY ADDRESS	Client Account Number - 00002 145 361 2 Client Name – Grant Thornton Limited as "Agent of Index Energy Mills Road Corporation." 200 King Street West, 11th Floor, Box 11, Toronto, ON M5H 3T4 Tel (416)360-3056 Fax (416)360-5048 (Rosa Wilford)

EXHIBIT C

[redacted]

REDACTED

EXHIBIT D

[see attached]

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**")

ORDER

(Stay Extension and DIP Loan Extension)

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* (i) extending the Stay Period (as defined in paragraph 13 of the Initial Order of the Ontario Superior Court of Justice (Commercial List) dated August 16, 2017) (the "**Initial Order**") to and including December 22, 2017, and (ii) approving the activities of Grant Thornton Limited in its capacity as court appointed monitor ("**Monitor**") as set out in the first report of the Monitor, to be filed (the "**First Report**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Derek Blais, sworn September 1, 2017, and the exhibits thereto (the "**Blais Affidavit**"), the First Report, and on hearing the submissions of counsel for the Applicant, Index Equity US LLC (the "**DIP Lender**") and Index Residence AB (publ), the Monitor, and the senior lending syndicate to the Applicant represented by National Bank of Canada as agent, no one else appearing although duly served as appears from the affidavit of service of ● sworn September 1, 2017,

SERVICE

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

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Initial Order.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 13 of the Initial Order) be and is hereby extended until and including December 22, 2017.

DIP ADVANCE

4. **THIS COURT ORDERS** that notwithstanding the limitation on the initial advance under the DIP Credit Agreement (as defined in the Initial Order) pursuant to paragraph 31 of the Initial Order, the Applicant is authorized and empowered to obtain and borrow from the DIP Lender pursuant to the DIP Credit Agreement up to a maximum principal amount of $5,000,000.

APPROVAL OF ACTIVITIES

5. **THIS COURT ORDERS** that First Report and the actions, conduct and activities of the Monitor described therein be and are hereby approved.

SEALING

6. **THIS COURT ORDERS** that Confidential Exhibit "A", to the Blais Affidavit be and are hereby sealed and shall be treated as confidential pending further order of this Court.

GENERAL

7. **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 of America, to give effect to this Order and to assist the Applicants, 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 Applicants 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 Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

ORDER
(Stay Extension and DIP Loan Extension)

Cassels Brock & Blackwell LLP
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lwilliams@casselsbrock.com

Lawyers for Index Energy Mills Road Corporation

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 (pub) ("**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 ● sworn September ●, 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.

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

Attention:	Michael Creber / Harbir Gill
Email:	michael.creber@ca.gt.com / harbir.gill@ca.gt.com
Fax:	1-416-360-4949

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; provided, however, 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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Lawyers for Index Energy Mills Road Corporation

This is **Exhibit "G"**
to the affidavit of **Derek Blais** sworn
before me this 1st day of September,
2017

....
A Commissioner for Taking Affidavits, etc.

Taschina Haye-Ashmeade, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 13, 2019.

Index Energy Mills Road Corporation
Cash Flow Projection
August 11, 2017 to December 31, 2017

		Filing																			*Partial*	
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	
For the week ending, In $	11-Aug-17	18-Aug-17	25-Aug-17	1-Sep-17	8-Sep-17	15-Sep-17	22-Sep-17	29-Sep-17	6-Oct-17	13-Oct-17	20-Oct-17	27-Oct-17	3-Nov-17	10-Nov-17	17-Nov-17	24-Nov-17	1-Dec-17	8-Dec-17	15-Dec-17	22-Dec-17	29-Dec-17	31-Dec-17	August 11, 2017 to December 31, 2017
Opening Cash	32,055	10,730	(633,018)	(456,957)	(912,960)	(1,484,360)	(1,527,773)	(2,477,595)	(1,827,232)	(2,573,864)	(2,967,083)	(3,443,383)	(2,867,567)	(3,464,230)	(3,507,643)	(4,091,853)	(3,156,580)	(4,033,481)	(4,077,022)	(4,817,764)	(4,861,176)	(4,221,420)	32,055
Receipts																							
Sales Receipts	-	-	702,361	-	-	-	-	998,775	-	-	-	966,557	-	-	-	998,775	-	-	-	-	966,557	-	4,633,025
HST Refund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	-	702,361	-	-	-	-	998,775	-	-	-	966,557	-	-	-	998,775	-	-	-	-	966,557	-	4,633,025
Disbursements																							
Opening A/P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical Supplier - Arrears	-	-	-	-	-	-	440,107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	440,107
Deposits	-	-	275,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	275,000
Supplies & Testing	-	4,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	571	42,571
Wood Fuel & Fly Ash	-	254,871	-	339,828	-	-	-	-	-	-	-	339,828	-	-	-	-	339,828	-	-	-	-	424,786	1,699,142
Equipment Parts & Maintenance	-	61,070	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	461,070
Equipment Rentals	-	-	-	150	-	-	-	-	120	-	-	-	150	-	-	-	-	129	-	-	-	-	549
Labour	-	-	85,000	-	85,000	-	85,000	-	85,000	-	85,000	-	85,000	-	85,000	-	85,000	-	85,000	-	85,000	-	850,000
Hydro & Gas	-	-	-	-	160,000	-	-	-	-	160,000	-	-	-	-	167,500	-	-	-	195,500	-	-	-	683,000
Water & Sewage Costs	-	-	-	-	-	-	-	-	-	189,806	-	-	-	-	-	-	-	-	213,532	-	-	-	403,338
Chemical & Fuel Supplies	-	7,500	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	1,071	79,821
Salary & Wages	-	-	13,162	-	13,162	-	13,162	-	13,162	-	13,162	-	13,162	-	13,162	-	13,162	-	13,162	-	13,162	-	131,620
Payroll Expenses	21,325	-	20,756	-	20,756	-	20,756	-	20,756	-	20,756	-	20,756	-	20,756	-	20,756	-	20,756	-	20,756	-	228,889
Tools & Supplies Expense	-	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	3,607	1,031	73,180
Insurance	-	-	-	36,213	-	-	-	-	36,213	-	-	-	36,213	-	-	-	36,213	-	-	-	-	-	144,851
Rent Expense	-	-	809	809	809	809	809	809	809	809	809	809	809	809	809	809	809	809	809	809	809	809	16,189
Shipping - Freight	-	572	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286	82	6,085
Audit & Accounting Exp.	-	-	-	-	7,500	-	-	-	-	-	-	7,500	-	-	-	7,500	-	-	-	-	7,500	-	30,000
Consulting	-	9,590	9,590	3,000	9,590	-	9,590	-	12,590	-	9,590	-	12,590	-	-	12,590	-	-	-	-	12,590	-	101,310
Meals & Entertainment	-	-	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	157	3,138
Office Supplies/Services	-	2,798	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399	400	29,777
Building & Yard Maint.	-	4,694	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	671	49,959
Travel	-	-	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	693	13,862
Realty Tax Expense	-	-	-	-	-	-	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000
Training	-	-	497	497	497	497	497	497	497	497	497	497	497	497	497	497	497	497	497	497	497	497	9,936
Telephone Expense	-	621	-	621	-	621	-	621	-	621	-	621	-	621	-	621	-	621	-	621	-	621	6,833
Lease Expense	-	8,400	-	8,400	-	-	-	-	8,400	-	-	-	8,400	-	-	-	8,400	-	-	-	-	-	42,000
R&M Unusual	-	14,492	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	7,246	2,070	154,237
Total Operating Disbursements	21,325	372,216	446,300	431,004	338,800	43,413	626,407	43,413	219,033	393,219	171,300	390,741	219,063	43,413	329,210	63,503	546,151	43,541	570,742	43,413	181,800	453,459	5,991,464
Operating Cash Flow	(21,325)	(372,216)	256,061	(431,004)	(338,800)	(43,413)	(626,407)	955,363	(219,033)	(393,219)	(171,300)	575,816	(219,063)	(43,413)	(329,210)	935,273	(546,151)	(43,541)	(570,742)	(43,413)	784,757	(453,459)	(1,358,439)
Capex/Mitigation																							
Optimization Stabilization Burner	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Second Wood Feed System	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flue Gas Heat Exchanger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Thermal Coil Burner	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissioning of Turbine Cascade Mode	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical Parts Inventory Replenishment	-	-	25,000	25,000	100,000	-	50,000	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Utility Optimization Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capex	-	-	25,000	25,000	100,000	-	50,000	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000
Free Cash Flow	(21,325)	(372,216)	231,061	(456,004)	(438,800)	(43,413)	(676,407)	955,363	(269,033)	(393,219)	(171,300)	575,816	(219,063)	(43,413)	(329,210)	935,273	(546,151)	(43,541)	(570,742)	(43,413)	784,757	(453,459)	(1,608,439)
Other Disbursements																							
Interest - Syndicate Loan	-	-	-	-	132,600	-	-	-	132,600	-	-	-	132,600	-	-	-	165,750	-	-	-	-	165,750	729,298
Interest - DIP Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	271,532	55,000	-	-	-	273,414	305,000	345,000	-	305,000	-	245,000	-	255,000	-	165,000	-	170,000	-	145,000	-	2,534,946
Total Other Disbursements	-	271,532	55,000	-	132,600	-	273,414	305,000	477,600	-	305,000	-	377,600	-	255,000	-	330,750	-	170,000	-	145,000	165,750	3,264,244
Total Disbursements	21,325	643,748	526,300	456,004	571,400	43,413	949,822	348,413	746,632	393,219	476,300	390,741	596,662	43,413	584,210	63,503	876,901	43,541	740,742	43,413	326,800	619,208	9,505,709
Net Cash Flow	(21,325)	(643,748)	176,061	(456,004)	(571,400)	(43,413)	(949,822)	650,363	(746,632)	(393,219)	(476,300)	575,816	(596,662)	(43,413)	(584,210)	935,273	(876,901)	(43,541)	(740,742)	(43,413)	639,757	(619,208)	(4,872,683)
Closing Cash	10,730	(633,018)	(456,957)	(912,960)	(1,484,360)	(1,527,773)	(2,477,595)	(1,827,232)	(2,573,864)	(2,967,083)	(3,443,383)	(2,867,567)	(3,464,230)	(3,507,643)	(4,091,853)	(3,156,580)	(4,033,481)	(4,077,022)	(4,817,764)	(4,861,176)	(4,221,420)	(4,840,628)	(4,840,628)

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

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