

RICHTER

February 28, 2014

AFI Hydro Inc.

On February 24, 2014, Richter Advisory Group Inc. (the "**Receiver**") was appointed as the receiver of all of the assets, undertakings and properties of AFI Hydro Inc. (the "**Company**") in accordance with an order of the Ontario Superior Court of Justice also dated February 24, 2014 (the "**Order**"). Information about the receivership can be found at the following website: <http://www.richter.ca/en/insolvency-cases/a/afi-hydro-inc>

On February 23, 2014 the Company advised that you were being laid off commencing on February 24, 2014. The purpose of this correspondence is to advise you that as a result of the receivership and the resignation of the directors, you will not be recalled and therefore your employment with the Company is terminated and, pursuant to section 56(5) of the *Employment Standards Act, 2000*, the effective date of the termination of your employment is February 24, 2014. Your Record of Employment with the Company will be issued to you forthwith.

As per the Order the Receiver is not responsible for any employer related liabilities including any successor employee liability such as, any unpaid salary, wages, vacation pay, payment in lieu of notice (termination pay) or severance pay or any other employee benefits or accrued incentives or entitlements owing to you by the Company prior to the date of the receivership. We do not anticipate that there will be any recoveries for unsecured creditors of the Company. Details of the amounts owed to you by the Company will be provided to you by the Receiver, at which time, the Receiver will comply with the provisions of the Wage Earner Protection Program Act ("**WEPPA**") and provide you with further information regarding WEPPA. Additionally, refer to <http://www.servicecanada.gc.ca/eng/sc/wepp/> for any information on WEPPA.

You are required to return any and all equipment or other Company property, including but not limited to vehicles, keys, corporate credit card, mobile devices, laptop, etc., which has been provided to you by the Company no later than March 17, 2014.

The Receiver continues to work with certain members of the Company's previous management team to affect a sale of the Company's assets and operations.

**RICHTER ADVISORY GROUP INC. IN ITS CAPACITY AS RECEIVER OF
AFI HYDRO INC. AND NOT IN ITS PERSONAL CAPACITY**

Richter Advisory Group Inc.
181 Bay Street, 33rd Floor
Toronto, ON M5J 2T3
www.richter.ca

