

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED,  
 IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED STATES BANKRUPTCY COURT WITH RESPECT  
 TO THE DEBTORS, AND APPLICATION OF ZOICHEM INC. UNDER SECTION 46 OF THE  
 COMPANIES' CREDITORS ARRANGEMENT ACT

Applicant

Court File No. CV-16-11271-00CL

March 30/16

S. Babe for applicant  
 C. Armstrong for the Information Officer  
 J. Dietrich for the DIP Agent  
 J. Keene for the Trustee in respect of the Senior Secured Notes  
 A. Iqbal for the Independent Director of Zochem Inc.  
 C. Burt for PNC National Bank.

ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST

Proceedings commenced at Toronto

SUPPLEMENTAL AFFIDAVIT RECORD

The final DIP order removes the \$25 million ~~provision~~ ~~respecting~~ ~~Zochem~~ ~~on~~ ~~the~~ ~~Interim~~ ~~Order~~ ~~and~~ ~~further~~ ~~provides~~ ~~for~~ ~~cap~~ ~~on~~ ~~the~~ ~~liability~~ ~~of~~ ~~Zochem~~ ~~in~~ ~~respect~~ ~~of~~ ~~the~~ ~~DIP~~ ~~loans~~ ~~and~~ ~~provides~~ ~~instead~~ ~~that~~ ~~the~~ ~~next~~ ~~\$12~~ ~~million~~ ~~is~~ ~~to~~ ~~be~~ ~~paid~~ ~~in~~ ~~favor~~ ~~of~~ ~~the~~ ~~unsecured~~ ~~creditors~~ ~~of~~ ~~Zochem~~ ~~to~~ ~~the~~ ~~extent~~ ~~of~~ ~~the~~ ~~receipts~~ ~~by~~ ~~the~~ ~~DIP~~ ~~Agent~~ ~~in~~ ~~excess~~ ~~of~~ ~~\$25~~ ~~million~~.  
 The financing arrangements have been approved by the independent director of Zochem and the Unsecured Creditors Committee in the United States, whose membership includes the predominant unsecured creditor of Zochem. Further, it is understood that the value of the security substantially exceeds the amount of the obligations secured ahead of the trust monies to be received by the DIP Agent.

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Lawyers for Zochem Inc.

Order to go via the form attached.  
 W. Han-hil J.