

SUPERIOR COURT

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

N°: 500-11-033234-085
DATE : February 26, 2009

PRESIDING: The Honourable Robert Mongeon, J.S.C.

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

SHERMAG INC.

- and -

JAYMAR FURNITURE CORP.

- and -

SCIERIE MONTAUBAN INC.

- and -

MÉGABOIS (1989) INC.

- and -

SHERMAG CORPORATION

- and -

JAYMAR SALES CORPORATION

Petitioners

- and -

RSM RICHTER INC.

Monitor

ORDER

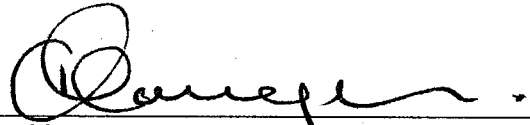
CONSIDERING the Petitioners' Motion for the Approval of a Retention Bonus Plan, the Affidavit in support thereof and the representations made by Counsel for the Petitioners;

FOR THESE REASONS, THE COURT:

- [1] **GRANTS** the Petitioners' Motion for the Approval of a Retention Bonus Plan (the "**Motion**");
- [2] **APPROVES** the Second RBP as defined at paragraph 1 of the Motion and communicated as Exhibit R 2;
- [3] **AUTHORIZES** the Petitioners to perform their obligations under the Second RBP, including the making of any and all payments provided therein in accordance with the terms thereof;
- [4] **AUTHORIZES** the Petitioners to execute and deliver any such additional or ancillary documents as may be necessary to give effect to the Second RBP;
- [5] **ESTABLISHES** a trust pursuant to which the Petitioners will deposit an amount equivalent to the Second RBP in trust with RSM Richter Inc, the court appointed monitor (the "**Monitor**"), acting as trustee of the trust (the "**Trust Funds**"), which amount will be disbursed by the Monitor to the Key Employees, as defined at paragraph 9 of the Motion, pursuant to the Second RBP;
- [6] **DECLARES** that the establishment of such a trust, the deposit by the Petitioners of amounts therein and the disbursements made by the Monitor in relation thereto or made by the Petitioners in relation to the Second RBP, shall be binding on any trustee in bankruptcy that may be appointed in respect of the Petitioners and shall not be void or voidable and shall not be deemed to be a settlement fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the Bankruptcy and Insolvency Act, Section 1631 and following of the Civil Code of Québec or any other applicable federal or provincial legislation;
- [7] **DECLARES** that, to the extent that one or more Key Employees is no longer at the employ of the Petitioners when the payments

become due pursuant to the Second RBP, any Trust Funds not used for the payment of the retention bonus to the Key Employees shall be remitted to the Petitioners and remain subject to the security held by Petitioners' secured lenders;

- [8] **ORDERS** the sealing of the First RBP and the Second RBP, Exhibits R 1 and R 2;
- [9] **DECLARES** that notices given of the presentation of the Motion are proper and sufficient;
- [10] **ORDERS** the provisional execution of the Order to be rendered notwithstanding any appeal and without the necessity of furnishing any security;
- [11] **THE WHOLE** without costs.



The Honourable Robert Mongeon, J.S.C.

PROVINCIAL
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C. 100

