

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-038490-104

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C. 1985, c. C-36)

Montreal, May 17, 2010

Present: The Honourable Chantal Corriveau, J.S.C.

**IN THE MATTER OF THE PLAN OF
REORGANIZATION AND COMPROMISE
OF:**

CONJUCHEM BIOTECHNOLOGIES INC.

Petitioner

and

RSM RICHTER INC.

Co-Monitor

CREDITORS' MEETING ORDER

SEEING the Petitioner's Motion for an Order Setting the Procedures with respect to the Convening and Conduct of the Meeting of the Petitioner's Creditors and other Relief pursuant to Sections 4, 5, 9, 10 and 11 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and Section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "CBCA") and the affidavit of Chantale Lapointe, Vice President Finance of ConjuChem Biotechnologies Inc. in support thereof (the "**Creditors' Meeting Motion**"), and the submissions of counsel to the Petitioner, the Monitor and other interested parties;

GIVEN the provisions of the initial order granted by this Court in this matter on February 26, 2010 (the "**Initial Order**"), and the claims process order granted by this Court on April 29, 2010 (the "**Claims Process Order**");

GIVEN the provisions of the CCAA and CBCA;

WHEREFORE, THE COURT:

1. **GRANTS** the Creditors' Meeting Motion;

Service

2. **DECLARES** that the notices given for the presentation of the Creditors' Meeting Motion are proper and sufficient;

Definitions

3. **ORDERS** that the following terms in this order shall, unless otherwise indicated, have the following meanings ascribed thereto:

- (a) **"Affected Claims"** means all Claims, other than Excluded Claims;
- (b) **"Affected Creditor"** or **"Affected Unsecured Creditor"** means any Person that is a Holder of an Affected Claim and may, if the context requires, mean an assignee of an Affected Claim or a trustee, interim receiver, receiver manager, or other Person acting on behalf of such Person, if such assignee or other Person has been recognized by the Monitor, the Petitioner or the Disbursing Agent (as defined in the Plan), as the case may be;
- (c) **"Beneficial Debentureholders"** means the ultimate beneficial holders of the Debenture(s) holding such security(ies) in an account with a Participant, including, for greater certainty, a Participant, but only if and to the extent such Participant holds the Debenture(s) as principal and on its own account, and **"Beneficial Debentureholder"** means any one of the Beneficial Debentureholders;
- (d) **"Business Day"** means any day on which commercial banks are generally open for business in Montréal (Canada), other than a Saturday, a Sunday or a day observed as a holiday in Montréal under the laws of the Province of Québec or the federal laws of Canada applicable therein;

- (e) **“CDS”** means CDS Clearing and Depository Services Inc.;
- (f) **“Chair”** has the meaning ascribed to such term in paragraph 15;
- (g) **“Claim”** means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind of the Petitioner owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Petitioner become bankrupt on the Determination Date and, without limitation, shall include any Restructuring Claim;
- (h) **“Claims Process Order”** means the order of the Court dated April 29, 2010, establishing, among other things, procedures for proving Claims as amended or supplemented from time to time by further order(s) of the Court;
- (i) **“Court”** means the Quebec Superior Court, Commercial Division for the District of Montréal;
- (j) **“Creditors’ Meeting”** means the meeting of the Affected Unsecured Creditors convened for the purpose of voting on the Plan and includes any adjournment, postponement or other rescheduling of such meeting;
- (k) **“Debentures”** means the debentures, issued under the Indenture, including any debenture validly issued in replacement or in substitution of a Debenture;
- (l) **“Debenture Claims”** means any Claim arising under the Debentures;

- (m) **“Debentureholder”** means, as the case may require, a registered or Beneficial Debentureholder;
- (n) **“Debentureholders Creditors Class”** means the class of creditors grouped in accordance with their Claims for the purposes of considering and voting on the Plan in accordance with the provisions of the Plan and receiving distributions thereunder, such class being comprised of the Debentureholders;
- (o) **“Designated Newspapers”** means La Presse and The Globe and Mail (national edition);
- (p) **“Determination Date”** means February 26, 2010;
- (q) **“Effective Date”** has the meaning ascribed to it in the Plan;
- (r) **“Excluded Claim”** has the meaning ascribed to such term in Section 2.4(1) of the Plan;
- (s) **“Face Amount”** means, with respect to a Debentureholder’s claim in respect of those Debentures that it holds, the principal value of the Debentures that such Debentureholder holds;
- (t) **“General Affected Unsecured Claims”** means all Affected Claims to the exclusion of the Debenture Claims;
- (u) **“General Affected Unsecured Creditors”** means a creditor that is the Holder of a General Affected Unsecured Claim;
- (v) **“General Affected Unsecured Creditors Class”** means the class of creditors grouped in accordance with their Claims for the purposes of considering and voting on the Plan in accordance with the provisions of the Plan and receiving distributions thereunder, such class being comprised of the General Affected Unsecured Creditors;
- (w) **“Governmental Entity”** means any:

- (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign;
 - (ii) subdivision, agent, commission, board or authority of any of the foregoing; or
 - (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;
- (x) **“Holder(s)”** means, when used with reference to the Claims of any Person, the Person who has filed such Claim with the Monitor provided that the Monitor has recognized such Person as the holder of such Claim or the Person who has been assigned a Claim of any Person so recognized, subject to compliance with the provisions of paragraph 29 hereof. For the purposes of this order and the Plan, the Holder of a Debenture Claim in respect of a Debenture shall be the Beneficial Debentureholder and, other than for voting purposes, if the context requires, shall include, without duplication, the Indenture Trustee in respect of such Debenture. For the purposes of voting at the Creditors’ Meeting, if the context requires, the Holder of a Claim shall include, without duplication, a Person specified in a duly completed and signed Proxy as the holder of that proxy;
- (y) **“Indenture”** means the Debenture indenture dated December 13, 2007 between the Company, as issuer, and Computershare Trust Company of Canada as indenture trustee pursuant to which the Company issued \$22,000,000 aggregate principal amount of 8% Convertible Unsecured Subordinated Debentures due in 2010, as amended from time to time;
- (z) **“Indenture Trustee”** means Computershare Trust Company of Canada, the trustee appointed in respect of the issue of the Debentures under the Indenture;

- (aa) **“Initial Order”** means the Order of the Court dated February 26, 2010, as amended and restated from time to time, pursuant to which, among other things, the Petitioner were granted certain relief under the CCAA;
- (bb) **“Laws”** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, injunctions, orders or decisions of any Governmental Authority, statutory body or self-regulatory authority, including general principles of law having the force of law and the term **“applicable”** with respect to such Laws and, in the context that refers to any Person, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Governmental Authority or self regulatory authority having jurisdiction over the Person or its business, undertaking, property or securities;
- (cc) **“Master Ballot”** means a ballot to be completed by each Participant that holds one or more Debentures in an account on behalf of one or more Beneficial Debentureholders and to be returned to the Monitor in accordance with the provisions of this Order, that will be in form and substance acceptable to the Monitor and prepared in accordance with customary practice;
- (dd) **“Meeting Date”** means June 11, 2010, subject to any adjournment, postponement or other rescheduling or further order of this Court;
- (ee) **“Meeting Materials”** has the meaning ascribed to such term in paragraph 9 hereof;
- (ff) **“Monitor”** means RSM Richter Inc. appointed as monitor in accordance with the Initial Order, in such capacity and not in its personal capacity, and any successor thereto;
- (gg) **“Newspaper Notice”** means a notice of this order and of the Creditors’ Meeting setting out the Meeting Date, substantially in the form attached hereto as Schedule “C”;

- (hh) **“Notice to Creditors”** means a notice of this order and of the Creditors’ Meeting setting out the Meeting Date, substantially in the form attached hereto as Schedule “A”;
- (ii) **“Participants”** means banks, financial institutions, securities dealers or brokers, trust companies or other intermediaries identified as entities through which Beneficial Debentureholders hold Debentures in an account held therewith and that are participants in the CDS, and **“Participant”** means any one of the Participants;
- (jj) **“Person”** means any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, foundation, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (kk) **“Petitioner”** means ConjuChem Biotechnologies Inc.;
- (ll) **“Plan”** means the plan of reorganization and compromise of the Petitioner pursuant to the provisions of the CCAA and Section 191 of the CBCA, as it may be amended, varied or supplemented by the Petitioner from time to time in accordance with its terms, which plan incorporates and consolidates the reorganization;
- (mm) **“Proof of Claim”** has the meaning ascribed to such term in the Claims Process Order;
- (nn) **“Proven Claim”** means, in respect of an Affected Unsecured Creditor, the amount or any portion of the amount of the Affected Unsecured Claim of such Affected Unsecured Creditor as finally determined for distribution purposes in accordance with the provisions of the Plan, the CCAA, the Claims Process Order and any other applicable Order;

- (oo) **“Proxy”** means the form of proxy, including a voting form for General Affected Unsecured Creditors in the General Affected Unsecured Creditors Class, substantially in the form attached hereto as Schedule “B”, and to which are attached the instructions to complete the form;
- (pp) **“Required Majorities”** means the affirmative vote of a majority in number of the Affected Creditors voting in each class of creditors set out in Section 2.3 of the Plan, having Voting Claims and voting on the Plan (in person or by proxy) at the Creditors’ Meeting for such class and representing not less than 66⅔% in value of the Voting Claims of the Affected Unsecured Creditors voting (in person or by proxy) at the Creditors’ Meeting for such class;
- (qq) **“Restructuring Claim”** means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the restructuring, repudiation, termination, disclaimer or resiliation by the Petitioner on or after the Determination Date, of any contract, lease, employment agreement, collective agreement or other agreement, whether written or oral, or in connection with such agreements provided, however, that such Person receives a notice of repudiation, termination, disclaimer or resiliation from the Petitioner on or before May 5, 2010 and that a “Restructuring Claim” shall not include any Excluded Claims;
- (rr) **“Sanction Hearing”** has the meaning ascribed to such term in paragraph 33 hereof;
- (ss) **“Sanction Order”** has the meaning ascribed to such term in paragraph 33 hereof;
- (tt) **“Shareholder Notice”** has the meaning ascribed to such term in paragraph 14 hereof;
- (uu) **“Subscribers”** has the meaning ascribed to such term in the Plan;
- (vv) **“Voting Claim”** means, in respect of an Affected Creditor, (a) the Canadian dollar value of the Proven Claim of the Affected Creditor or, if the Proven

Claim of the Affected Creditor is not finally determined by June 11, 2010, and in any event at least one (1) Business Day prior to the date of the Creditors' Meeting in the case of any adjournment, postponement or other rescheduling thereof, (b) the Canadian dollar value of such Claim accepted for purposes of voting at the Creditors' Meeting in accordance with the provisions of this order; the Voting Claim of each of the Debentureholders will be equal to the Face Amount of each Debentureholder's claim in respect of those Debentures that it holds;

(ww) **"Voting Instruction Form"** means the voting instruction form and accompanying instructions to be sent to each Participant and on-forwarded to Beneficial Debentureholders in respect of Debentures held by Beneficial Debentureholders through Participants for the purpose of counting and tabulating the voting instructions of Beneficial Debentureholders in respect of the matters to be voted on at the Creditors' Meeting or any adjournment, postponement or rescheduling thereof and to be substantially similar in form and content to the Proxy, but adjusted for and addressed to Beneficial Debentureholders to reflect the fact that such Beneficial Debentureholders are not the registered holders of the Debentures, and which voting instruction form will i) be in form and substance acceptable to the Monitor, ii) be prepared in accordance with customary practice and iii) provide for the return of any such completed form to the relevant Participant; and

(xx) **"Voting Record Date"** means June 1, 2010.

Plan

4. ORDERS that:

- (a) any Claims against the Petitioner shall be dealt with in accordance with the Claims Process Order, the Plan, this order and the CCAA; and
- (b) the Petitioner shall seek approval of the Plan in the manner set forth herein.

5. **ORDERS** that the Petitioner, in accordance with the provisions of the Plan, is, and it is hereby, authorized to amend, modify or supplement the Plan by way of one or more supplemental plans of reorganization and compromise at any time prior to or at the Creditors' Meeting and in consultation with the Monitor, in which case any such supplementary plan(s) shall, for all purposes, be deemed to form part of and be incorporated into the Plan. The Petitioner shall file any supplementary plan(s) with this Court as soon as practicable. The Petitioner shall give notice of any supplementary plan(s) and any additional proposed amendments to the Plan at the Creditors' Meeting, which notice shall be sufficient if given to those Affected Unsecured Creditors present in person at the Creditors' Meeting, and the Monitor shall publish on its website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx>, as soon as possible, any such supplementary plan(s) and any such additional proposed amendments to the Plan;

6. **ORDERS** that after the Creditors' Meeting (and both prior to and subsequent to the Sanction Order), in accordance with the provisions of the Plan, the Petitioner may at any time and from time to time vary, amend, modify or supplement the Plan;

Classification of Affected Unsecured Creditors

7. **ORDERS** and **APPROVES** that, for the purposes of considering and voting on the Plan, there shall be two (2) classes of creditors, namely the General Affected Unsecured Creditors Class and the Debentureholders Creditors Class as defined and established in the Plan;

Notice of Creditors' Meeting and Meeting Materials

8. **ORDERS** that the Petitioner be, and it is hereby, authorized to convene, hold and conduct the Creditors' Meeting at the Meeting Date, in Montréal, Quebec, Canada for the purpose of voting on the Plan;

9. **ORDERS** that, no later than May 17, 2010, the Monitor shall publish on its website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx>, the following documents:

- (a) the Notice to Creditors;
- (b) the Proxy, including a voting form and instructions to complete the form;

(c) a copy of the Plan; and

(d) a copy of this order;

(collectively, the “**Meeting Materials**”);

10. **ORDERS** that the Newspaper Notice, which is hereby approved, shall be published by the Monitor in the Designated Newspapers as soon as possible following the issuance of this order, but in any event no later than May 21, 2010;

11. **ORDERS** that, subject to and except for the specific solicitation and voting procedures applicable to Beneficial Debentureholders which are as set forth in paragraph 26 hereof, and in addition to the publications referred to in paragraphs 9 and 10 hereof, the Monitor shall send, by regular mail, courier, fax or e-mail, a copy of the Meeting Materials to all known Affected Creditors no later than 5:00 p.m. (Montréal time) on May 20, 2010;

12. **ORDERS** that publication of a copy of the Meeting Materials in the manner set out in paragraph 9 and publication of the Newspaper Notice in the manner set out in paragraph 10 hereof, and transmission of the Meeting Materials in accordance with paragraph 11 hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or who may wish to be present in person or represented by proxy at the Creditors’ Meeting, or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings;

13. **ORDERS** that, on or before June 4, 2010, and in any event at least (seven) 7 days before the Creditors’ Meeting in the case of any adjournment, postponement or other rescheduling thereof, the Monitor shall file a report on the Plan and on the Petitioner’s business and financial affairs with the Court, and shall publish same on its website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx>. The notice referred to in Section 23(1)(d.1) of the CCAA shall be considered sufficiently given if the Notice to Creditors mentions that said report is available as provided herein;

14. **ORDERS** that the Petitioner or the Monitor shall not be required to provide the Meeting Materials to any shareholder of the Petitioner, but the shareholder notice substantially in the form

attached hereto as Schedule "D" (the "**Shareholder Notice**") is hereby approved, and it shall be published by the Monitor in the Designated Newspapers no later than May 21, 2010;

Creditors' Meeting Procedure

15. **ORDERS** that a Person designated by the Monitor, shall preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to this order or any further order of this Court, shall decide all matters relating to the conduct of the Creditors' Meeting. The Petitioner or any Affected Unsecured Creditor may appeal from any decision of the Chair to the Court no later than two (2) Business Days from any such decision;

16. **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the Creditors' Meeting;

17. **ORDERS** that the only Persons entitled to attend and speak at the Creditors' Meeting are Affected Unsecured Creditors (including Beneficial Debentureholders) with Voting Claims and their proxy holders, representatives of the Petitioner, members of the boards of directors of the Petitioner, representatives of the Monitor, the Chair and their respective legal and financial advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Chair;

18. **ORDERS** that any Proxy that any Affected Unsecured Creditor wishes to submit in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached hereto as Schedule "B" (or in such other form acceptable to the Monitor or the Chair) and shall either be (i) received by the Monitor at its office located at 2, Place Alexis Nihon, 22nd Floor, Montréal, Quebec, Canada, H3Z 3C2 (Attention: Ariella Yedid, CA), or by facsimile at (514) 934-3504, prior to 5:00 p.m. (Montréal time) on June 9, 2010 or prior to 5:00 p.m. (Montréal time) on the second Business Day immediately preceding any adjournment, postponement or other rescheduling of the Creditors' Meeting, or (ii) deposited with the Chair at the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) before the beginning of the Creditors' Meeting (or any such adjournment, postponement or other rescheduling);

19. **ORDERS** that in the absence of instruction to vote for or against the approval of the Plan in a duly signed and returned Proxy, the Proxy shall be deemed to include instructions to vote for the approval of the Plan;

20. **ORDERS** that the quorum required at each Creditors' Meeting shall be one (1) Affected Unsecured Creditor present at such meeting in person or by Proxy. If the requisite quorum is not present at a Creditors' Meeting, then the Creditors' Meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable. The Chair shall decide on the manner of giving notice to the Affected Unsecured Creditors of the rescheduled meeting and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's website;

21. **ORDERS** that the Chair be, and he or she is hereby, authorized to adjourn, postpone or otherwise reschedule the Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene the Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof); the Chair shall decide on the manner of giving notice to the Affected Unsecured Creditors of the rescheduled meeting and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Monitor's website;

Voting Procedure

22. **ORDERS** that, at the Creditors' Meeting, the Chair be, and he or she is hereby, authorized to direct a vote with respect to the Plan;

23. **ORDERS** that the vote on the Plan at the Creditors' Meeting to approve, amend, vary or supplement the Plan will be decided by the Required Majorities on a vote by ballot, unless the Chair decides, in his or her sole discretion, to hold such vote by way of show of hands, and that any adjournment, postponement or other rescheduling of the Creditors' Meeting shall be decided by a majority of votes cast by show of hands, unless the Chair decides, in his or her sole discretion, to hold such vote by way of ballot, and the weight attributed to each such vote shall be equal to the aggregate Canadian dollar value of such Affected Unsecured Creditor's Voting Claim;

24. **ORDERS** that, other than with respect to Beneficial Debentureholders and subject to compliance with paragraph 26 hereof, the only Persons entitled to vote at the Creditors' Meeting shall be the General Affected Unsecured Creditors with Voting Claims as of the Meeting Date and their proxy holders. For the purposes of counting and tabulating the votes at the Creditors' Meeting, each Affected Unsecured Creditor with a Voting Claim shall be entitled to one (1) vote and the weight attributed to such vote (for the purposes of determining the Required Majority) shall be equal to the aggregate Canadian dollar value of such Affected Unsecured Creditor's Voting Claim (if necessary, converted into Canadian dollars in accordance with paragraph 40 hereof). An Affected Unsecured Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded to the nearest whole Canadian dollar amount;

25. **ORDERS** that if the amount of an Affected Claim has not been resolved for voting purposes by June 11, 2010, and in any event at least two (2) Business Days prior to the date of the Creditors' Meeting in the case of any adjournment, postponement or other rescheduling thereof, the Affected Unsecured Creditor shall be entitled to vote only that portion of its Affected Claim which has been accepted for voting purposes by the Monitor, without prejudice to the rights of the Petitioner or the Affected Unsecured Creditor with respect to the final determination of the Affected Unsecured Creditor's Claim for distribution purposes. Affected Unsecured Creditors whose Claims have been revised or disallowed, in full or in part, which revision or disallowance remains in dispute or under appeal in accordance with the Claims Process Order, shall have their voting intentions with respect to such disputed or disallowed amounts recorded by the Monitor and reported to the Court at the Sanction Hearing;

Solicitation and Voting Procedures for Beneficial Debentureholders

26. **ORDERS** that notwithstanding the fact that the Indenture Trustee may have filed Proofs of Claim on behalf of Beneficial Debentureholders in respect of their Debenture Claims for which the Indenture Trustee acts in accordance with the provisions of the Claims Process Order, each of the Beneficial Debentureholders shall be permitted to vote its respective Debenture Claim, as determined and dealt with in accordance with the following:

- (a) the Monitor shall provide a copy of the Meeting Materials to the Indenture Trustee and CDS in electronic form by May 18, 2010 and directly to any

Beneficial Debentureholder who requires by written request a copy from the Monitor provided such Beneficial Debentureholder supplies the Monitor with an email address;

- (b) the Monitor shall obtain (or it shall have already obtained) from CDS a list, prepared as at April 30, 2010, of Participants through which Debentures are held in their participant accounts at CDS on behalf of Beneficial Debentureholders as at April 30, 2010;
- (c) as soon as practicable, and in no event later than May 18, 2010, the Monitor shall, in the event it shall not have already done so prior to the date of this Order, contact each of the Participants to determine how many packages of Meeting Materials each Participant requires in order for it to forward such materials on to their respective Beneficial Debentureholders. In lieu of the mailing and delivery obligations set forth in paragraph 11 hereof, the Monitor shall mail or deliver by courier the requisite number of packages of the Meeting Materials to each Participant based on the responses received by the Monitor from the Participants no later than 5:00 p.m. (Montréal time) on May 20, 2010 (if no response is received by the Monitor from a Participant before 5:00 p.m. on May 19, 2010, the Monitor will send that Participant only one (1) package of the Meeting Materials);
- (d) each Participant shall promptly, and in any event within three (3) Business Days of the receipt of the Meeting Materials, deliver to each Beneficial Debentureholder one complete package of the Meeting Materials;
- (e) upon written request, ConjuChem shall reimburse each of the Participants in accordance with customary procedures for its reasonable, actual and necessary out-of-pocket expenses incurred in performing the tasks described above, and no other fees, commissions or other remuneration will be payable to the Participants in connection with the distribution of the Meeting Materials;
- (f) each Beneficial Debentureholder shall be entitled and authorized to: (A) vote its Debenture Claim by attending the Creditors' Meeting in person by

inscribing its own name on the Voting Instruction Form as the appointee entitled to attend and vote at the Creditors' Meeting, provided such Voting Instruction Form shall have been duly completed and signed by such Beneficial Debentureholder as indicated in the package containing the Materials; or (B) vote its Debenture Claim by proxy by submitting its duly signed and completed Voting Instruction Form to the relevant Participant as indicated in the package containing the Meeting Materials no later than the time and date indicated in the Meeting Materials;

- (g) each Participant shall submit to the Monitor on or prior to 5:00 p.m. on June 9, 2010 a duly signed and completed Master Ballot to the Monitor for all Debenture Claims with respect to which such Participant shall have received a duly signed and completed Voting Instruction Form from a Beneficial Debentureholder holding Debentures in an account held with such Participant; and
- (h) notwithstanding the fact that a Participant shall be the Person submitting the Master Ballot to the Monitor, for the purposes of counting and tabulating the votes cast at the Creditors' Meeting, the voting instruction provided by a Beneficial Debentureholder to its Participant contained in its duly completed and signed Voting Instruction Form shall be deemed to constitute a separate vote per Beneficial Debentureholder per account in which the relevant block of Debentures are so held with such Participant;

27. **ORDERS** that the results of any and all votes conducted at the Creditors' Meeting shall be binding on all Affected Unsecured Creditors, whether or not any such Affected Unsecured Creditor is present or voting (in person or by proxy) at the Creditors' Meeting, subject to obtaining the Sanction Order, and, if the Sanction Order is not executory notwithstanding any appeal, the expiry of all applicable appeal periods in respect of the Sanction Order and the final disposition of all appeals in respect of the Sanction Order;

28. **ORDERS** that the Monitor shall be directed to calculate the votes cast at the Creditors' Meeting in accordance with this order and shall report to the Court at the Sanction Hearing on

the outcome of the votes cast at the Creditors' Meeting. In so doing, the Monitor shall be entitled to rely upon the information provided to it in respect of the votes of Beneficial Debentureholders received by the Monitor pursuant to paragraph 26 of this order.

Transfers of Voting Claims

29. **ORDERS** that, solely for voting purposes at the Creditors' Meeting, no assignee, transferee or purchaser of any Voting Claim (other than a Debenture Claim) who shall have acquired or become the assignee or transferee of such Voting Claim after the Voting Record Date shall have any right or entitlement whatsoever to attend or vote at, either in person or by proxy, the Creditors' Meeting, and **ORDERS** further that, other than with respect to paragraph 26 hereof with respect to a Debenture Claim, any transferee, assignee or acquirer of a Voting Claim who shall have acquired or become the assignee or transferee of such a Voting Claim on or prior to the Voting Record Date but whose name does not appear as of the Voting Record Date as the Holder of such transferred or assigned Voting Claim, then, for purposes of voting at the Creditors' Meeting, the transferee, assignee or acquirer of such Voting Claim shall, provided it shall have, not later than five (5) Business Days prior to the Creditors' Meeting, delivered evidence satisfactory to the Monitor of (A) its ownership of the whole of such Voting Claim as of the Voting Record Date, and (B) that such transfer or assignment was valid at Law, then:

- (a) such transferee or assignee shall be entitled to receive from the Monitor a package containing the Meeting Materials;
- (b) such transferee's or assignee's name shall be included on the list of Affected Unsecured Creditors entitled to vote at the Creditors' Meeting; and
- (c) such transferee or assignee shall be entitled to attend and vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu and to the exclusion of the transferor's or assignor's right to attend and vote at the Creditor's Meeting with respect to the transferred Voting Claim;

Evidence that Affected Claim was Paid

30. **ORDERS** that, subject to the terms of the Plan, should the Monitor receive evidence satisfactory to it that an Affected Claim was paid in part or in full by a party other than the Petitioner, such Affected Claim shall be reduced by the amount of the payment so made to such Affected Unsecured Creditor, for the purposes of calculating votes and for distributions under the Plan;

Notices and Communications

31. **ORDERS** that any document sent by the Monitor or the Petitioner pursuant to this order may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. An Affected Unsecured Creditor shall be deemed to have received any document sent pursuant to this order four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, e-mail or facsimile transmission. Documents shall not be sent by ordinary or registered mail during a postal strike or work stoppage of general application;

Sanction Hearing

32. **ORDERS** that the Monitor shall report to the Court on June 15, 2010, and in any event no later than three (3) Business Days after the Creditors' Meeting in the case of any adjournment, postponement or other rescheduling thereof, with respect to:

- (a) the results of the vote on the approval of the Plan;
- (b) the effect on the results of the vote had the Affected Creditors also voted the amount of their Affected Claim disputed for voting purposes; and
- (c) any other matter which the Monitor considers relevant in view of the Sanction Hearing.

33. **ORDERS** that, subject to further order of this Court, if the Plan has been accepted by the Required Majorities, the Petitioner shall bring a motion presentable before this Court on June 15,

2010 (the “**Sanction Hearing**”), seeking an order sanctioning the Plan pursuant to the CCAA and Section 191 of the CBCA (the “**Sanction Order**”);

34. **ORDERS** that a copy of the motion seeking the Sanction Order be (i) published on the Monitor’s website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx> as soon as it is filed with the Court and (ii) served electronically on the service list published on the Monitor’s website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx> for these proceedings;

35. **ORDERS** that service of the Notice to Creditors and this order pursuant to paragraph 11 hereof shall constitute good and sufficient service of notice of the Sanction Hearing upon all Persons who are entitled to receive such service and no other form of service need be made and no other materials need be served on such Persons in respect of the Sanction Hearing;

36. **ORDERS** that any Person intending to object to the motion seeking the Sanction Order shall file with the Court, before 4:30 p.m. (Montréal Time) on June 14, 2010, a written notice containing a description of its proposed grounds of contestation and shall effect service of same, within the same day, upon counsel to the Petitioner and the Monitor, and upon those Persons listed on the Petitioner’s service list published on the Monitor’s website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx>;

37. **ORDERS** that in the event that the Sanction Hearing is adjourned, postponed or otherwise rescheduled, only those Persons listed on the Petitioner’s service list published on the Monitor’s website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx> are required to be served with notice of the adjourned, postponed or otherwise rescheduled date;

Aid and Assistance of Other Courts

38. **REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or territory of Canada of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this order;

General Provisions

39. **ORDERS** that for purposes of determination of the value of Claims denominated in a foreign currency for voting and distribution purposes, such Claims shall be converted by the Monitor to Canadian dollars in accordance with the Claims Process Order and the Plan, as the case may be;
40. **ORDERS** that the notices and documents provided for by this order should be substantially in the forms attached as schedules hereto;
41. **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this order and may waive strict compliance with the requirements of this order as to the completion and execution of documents;
42. **ORDERS** that references in this order to the singular include the plural, to the plural include the singular and to any gender include the other gender;
43. **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this order;
44. **ORDERS** the provisional execution of this order notwithstanding appeal and without the necessity of furnishing any security;
45. **THE WHOLE**, without costs.

Montréal (Quebec), May 17, 2010



Honourable Chantal Corriveau, J.S.C.

SCHEDULE "A" – NOTICE TO CREDITORS

RSM Richter Inc.

RSM Richter Inc.

2, Place Alexis Nihon, Suite 1820
Montréal (Québec) H3Z 3C2
Téléphone / Telephone : 514.934.3497
Télécopieur / Facsimile : 514.934.8603
www.rsmrichter.com

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
COURT NO 500-11-038490-104**

**SUPERIOR COURT
(Commercial Division)**
(Sitting as a designated Court pursuant to the
Companies' Creditors Arrangement Act)

**IN THE MATTER OF THE PLAN OF REORGANIZATION
AND COMPROMISE OF:**

CONJUCHEM BIOTECHNOLOGIES INC.

Petitioner

-and-

RSM RICHTER INC.

Monitor

**NOTICE TO CREDITORS
OF MEETING OF CREDITORS**

Notice is hereby given that, pursuant to the Initial Order rendered by the Superior Court of Québec ("Court") on February 26, 2010 (as renewed, amended, and extended), the Claims Process Order rendered on April 29, 2010 and the Creditors' Meeting Order rendered on May 17, 2010, ConjuChem Biotechnologies Inc. has filed a Plan of Reorganization and Compromise ("Plan") pursuant to the terms of the *Companies' Creditors Arrangement Act* (Canada) ("CCAA").

Unless otherwise indicated, capitalized terms in this notice shall have the same meanings as defined in the Plan or the Creditors' Meeting Order.

The Plan contemplates the reorganization of the Petitioner and the compromise of rights and claims of the Affected Creditors.

In this regard, a meeting of creditors ("Creditors' Meeting") of ConjuChem Biotechnologies Inc. for the purpose of considering and approving the Plan will be held on:

June 11, 2010 at 10:00 a.m.

**Marriott Château Champlain
1050 de la Gauchetière Street West
(Salon Viger A)
Montréal (Québec) H3B 4C9**

Attendance at the Creditors' Meeting and right to vote will be restricted to only those Affected Creditors who submitted their Proof of Claim to the Monitor on or before the Claims Bar Date of **May 31, 2010, at 5:00 p.m. (Montreal time)**, as per the Claims Process Order and who are Holders of a Proven Claim.

Your Proxy and Voting Form must be duly completed, signed and (i) returned to the Monitor on or before June 9, 2010 at 5:00 p.m. (Montreal time) or (ii) be remitted to the Monitor or the Chair of the Creditors' Meeting at the Creditors' Meeting, prior to the commencement thereof.

Facsimile and e-mail transmissions will be accepted. Documents must be forwarded to:

**RSM Richter Inc.,
in its capacity as Court-Appointed Monitor of ConjuChem Biotechnologies Inc.
Attention: Ariella Yedid, CA
Suite 1820
2 Place Alexis Nihon
Montréal, Québec H3Z 3C2
Telephone: (514) 934-3497
Facsimile: (514) 934-8603
Email: ayedid@rsmrichter.com**

All Creditors who have the right to vote can accept the Plan as proposed or as modified at or prior to the Creditors' Meeting. If the Plan is accepted by the required majorities in number and value of the creditors present and voting, in person or by proxy, at the Creditors' Meeting and if the Plan is sanctioned by the Court, the Plan will be binding on all Affected Creditors.

We enclose in this package the following documents for your review and consideration:

- 1) A blank Proxy and Voting Form and Creditors Instructions on this form;
- 2) The Plan;
- 3) The Creditors' Meeting Order.

NOTICE IS ALSO HEREBY GIVEN that in accordance with the provisions of paragraph 23(1) (d.1) of the CCAA the Monitor shall file a report on the Plan and on the state of affairs of ConjuChem Biotechnologies Inc. on/or before June 4th, 2010. A copy of the Monitor's report will be available at the Creditors' Meeting and will be posted on the Monitor's Website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx> as soon as it is filed with the Court.

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved at the Creditors' Meeting by the Affected Creditors and all other necessary conditions are met, ConjuChem Biotechnologies Inc. intends to file a Motion seeking an Order sanctioning the Plan pursuant to the CCAA ("Sanction Order"), that will be heard by the Court on June 15th, 2010 at 25 Martigny Street West, St-Jérôme, Québec, at 9:00 a.m. in room B107 . A copy of the Motion for the Sanction Order will be filed on the Monitor's Website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx> as soon as it is filed with the Court. Any person intending to object to the Motion seeking the Sanction Order must file with the Court, before 4:30 p.m. (Montreal time) on June 14th, 2010, a written notice containing a description of his proposed grounds of contestation and shall effect service of same within the same delay to counsel to the Petitioner and the Monitor and upon those persons listed on the Petitioner's service list published on the Monitor's Website at <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx>.

DATED AT MONTREAL, this _____ day of _____, 2010.

RSM Richter Inc.
Court-Appointed Monitor

**SCHEDULE "B" -PROXY, INCLUDING VOTING FORM, AND INSTRUCTIONS TO
COMPLETE THE FORM**

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-038490-104

SUPERIOR COURT
(Commercial Division)
(Sitting as a designated Court pursuant to the
Companies' Creditors Arrangement Act)

**IN THE MATTER OF THE PLAN OF REORGANIZATION AND
COMPROMISE OF:**

CONJUCHEM BIOTECHNOLOGIES INC.

Petitioner

-and-

RSM RICHTER INC.

Monitor

**GENERAL AFFECTED UNSECURED CREDITORS
PROXY AND VOTING FORM**

I/We _____
(name of creditor)

of _____
(address)

creditor(s), hereby appoint as my (our) proxy for the Creditors' Meeting to be held on June 11, 2010 or at any adjournment thereof, the following person:

(name of proxy)

or, if no name is inserted above, RSM Richter Inc., the Court-appointed Monitor is deemed to be the Proxy.

PLEASE MARK ONE OR THE OTHER OF THE FOLLOWING BOXES:

Note: In the event that the Monitor is appointed Proxy and that neither of the following boxes are marked and that box A is not completed, the Monitor will vote FOR the Plan.

A. I/we hereby instruct my/our proxy to vote as follows on the resolution to approve the Plan of Reorganization and Compromise of ConjuChem Biotechnologies Inc. (the "Plan") pursuant to the *Companies' Creditors Arrangement Act* (Canada), as tabled, and as may be amended, at such Creditors' Meeting, or at any adjournment thereof:

- _____ **FOR** approving the Plan
- _____ **AGAINST** approving the Plan

Note: Unless a creditor has indicated above that it wishes to vote against approval of the Plan, the Monitor will vote all proxies which it holds FOR the Plan.

OR

- B. I/we hereby instruct my/our proxy with respect to the Creditors' Meeting to approve the Plan, as tabled, and as may be amended, at such Creditors' Meeting, or at any adjournment thereof or such other person as it may designate as nominee of the Affected Creditor with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournment, postponement or other rescheduling thereof and to vote the amount of the Affected Creditor's claim for voting purposes or as otherwise permitted pursuant to the Creditors' Meeting Order.

Note: If the Monitor is appointed proxy, he will vote FOR the Plan.

In order to be valid, this proxy must be duly completed and signed, and returned to the Monitor on or before June 9, 2010 at 5:00 p.m. (Montreal time) or deposited with the Monitor and/or the Chair of the Creditors' Meeting at the Creditors' Meeting, prior to the commencement thereof.

DATED AT _____, this _____ day of _____ 2010.

(Name of creditor)

Signature of authorized person
(indicate title or function, if any)

Signature of witness

(Please print name)

(Please print name)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.: 500-11-038490-104

SUPERIOR COURT
(Commercial Division)
(Sitting as a designated Court pursuant to the
Companies' Creditors Arrangement Act)

IN THE MATTER OF THE PLAN OF REORGANIZATION
AND COMPROMISE OF:

CONJUCHEM BIOTECHNOLOGIES INC.

Petitioner

-and-

RSM RICHTER INC.

Monitor

INSTRUCTIONS FOR COMPLETION OF PROXY AND VOTING FORM

1. The Proxy and Voting form should be read in conjunction with the accompanying documentation provided in connection with the Creditors' Meeting, including the Plan of Reorganization and Compromise ("Plan"), the Claims Meeting Order, and the Notice to Creditors of the Meeting of Creditors dated May 17, 2010. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan.
2. **If RSM Richter Inc. is appointed or is deemed to be appointed as proxyholder and the creditor fails to indicate a vote FOR or AGAINST the approval of the Plan on the Proxy and Voting Form, the Proxy will vote FOR the approval of the Plan.**
3. Each creditor who has a right to vote has the right to appoint a person (who need not be a creditor) to attend, act and vote for the creditor pursuant to the Plan and on his or her behalf and such right may be exercised by inserting in the space provided therefore the name of the person to be appointed. A creditor wishing to attend and vote in person at the meeting must insert his or her own name in the space provided in order to do so. If no name has been inserted in the space provided, the creditor will be deemed to have appointed the Monitor as the creditor's proxyholder.
4. If this Proxy and Voting form is not dated in the space provided, it shall be deemed to bear the date on which it is received by the Monitor.
5. This Proxy and Voting form must be signed by the creditor or by his or her representative duly authorized in writing or, where the creditor is a corporation, by a duly authorized officer or representative of the corporation with an indication of the title of such officer or representative.

6. Valid proxies from the same creditor bearing or deemed to be bearing a later date shall revoke this proxy. In the event that more than one valid proxy for the same creditor and bearing or deemed to be bearing the same date is received with conflicting instructions, such proxies will be treated as disputed proxies and shall not be counted.

This Proxy and Voting Form must be received by the Monitor on or before June 9, 2010 at 5:00 p.m. (Montréal time) by delivery, mail, courier, email or facsimile at the following address or remitted to the Monitor or the Chair of the Creditors' Meeting at the Creditors' Meeting, prior to the commencement thereof.

RSM Richter Inc.
2, Place Alexis Nihon
Suite 1820
Montréal, Québec H3Z 3C2

Attention: Ariella Yedid, CA
Fax: 514.934.8603
E-mail: ayedid@rsmrichter.com

SCHEDULE "C" - NEWSPAPER NOTICE

**IN THE MATTER OF THE PLAN OF REORGANIZATION AND COMPROMISE OF
CONJUCHEM BIOTECHNOLOGIES INC.**

NOTICE TO CREDITORS OF THE MEETING OF CREDITORS

Creditors of ConjuChem Biotechnologies ("ConjuChem") are hereby notified that, in connection with ConjuChem's proceedings under the *Companies' Creditors Arrangement Act* (Canada) ConjuChem has filed its Plan of Reorganization and Compromise (the "Plan") pursuant to the terms of the Creditors' Meeting Order dated May 17, 2010 ("Creditors' Meeting Order").

Creditors of ConjuChem are further notified that a meeting of creditors (the "Creditors' Meeting") will be held on June 11, 2010 at 10:00 a.m. (Montreal time) at the **Marriott Château Champlain, 1050 de la Gauchetière Street West, (Salon Viger A)**, to consider and, if thought advisable, to approve the Plan, with or without variation, and to transact such other business as may properly come before the meeting.

A copy of the Plan, the Creditors' Meeting Order, the Notice to Creditors and the Proxy and Voting Form ("Meeting Materials") will be mailed by May 20, 2010 to all known Affected Creditors (as defined in the Plan).

In order to be entitled to attend and vote at the Creditors' Meeting, creditors must have filed Proof of Claims with the Monitor on or before the Claims Bar Date of May 31, 2010 at 5:00 p.m. (Montreal time), as per the Claims Process Order and creditors must file a Proxy and Voting Form with the Monitor on or before June 9th, 2010 at 5:00 p.m. (Montreal time) or remit such Proxy in person at the Creditors' Meeting, prior to the commencement of the Creditors' Meeting. **SUBJECT TO THE TERMS OF THE CREDITORS' MEETING ORDER NO OTHER PERSON WILL BE ENTITLED TO ATTEND OR VOTE AT THE CREDITORS' MEETING.**

Creditors who believe they are entitled to attend and vote at the Creditors' Meeting but who have not received the Meeting Materials or the Claims Process Order referred to above can obtain a copy of these documents on the Monitor's website <http://www.rsmrichter.com/Restructuring/ConjuChem.aspx> or by contacting the Monitor at:

**RSM Richter Inc.
2, Place Alexis Nihon, Suite 1820
Montréal, Québec H3Z 3C2**

Attention: Ariella Yedid, CA/Gilles Robillard, CA, CIRP

**Phone No.: (514) 934 3497
Fax: (514) 934-8603
E-mail: grobillard@rsmrichter.com
ayedid@rsmrichter.com**

MONTREAL, this ____ day of May 2010.

RSM Richter Inc.
Court-Appointed Monitor

SCHEDULE “D” – SHAREHOLDER NOTICE

NOTICE TO SHAREHOLDERS OF CONJUCHEM BIOTECHNOLOGIES INC.

Shareholders of ConjuChem Biotechnologies Inc. (the “Corporation”) are hereby notified that in connection with the Corporation’s ongoing proceedings under the *Companies’ Creditors Arrangement Act* (Canada), a meeting of the Corporation’s Affected Creditors will be held on June 11, 2010 at ● pm (Montréal time) [at ●, in] Montréal, Québec, Canada, to consider and, if deemed advisable, approve a proposed plan of reorganization and compromise.

SHAREHOLDERS ARE ENTITLED NEITHER TO ATTEND NOR VOTE AT THE CORPORATION’S AFFECTED CREDITORS’ MEETING.

Shareholders of the Corporation are further notified that the Plan of reorganization and compromise contemplates that, if such plan is approved and implemented, all issued and outstanding common shares in the capital of the Corporation will be exchanged on a one-for-one basis for redeemable common shares in the capital of the Corporation. Each redeemable common share will then be redeemed by the Corporation for a nominal cash payment, resulting in the effective cancellation of the Corporation’s current share capital for virtually no consideration.

Montréal, Québec, Canada, ●, 2010

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[●]

ConjuChem Biotechnologies Inc.