

CANADA
PROVINCE OF QUÉBEC

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

DISTRICT OF MONTRÉAL

Montréal, April 29, 2010
Present: The Honorable Chantal Corriveau,
S.C.J.

No.: 500-11-038490-104

IN THE MATTER OF THE PLAN OF
ARRANGEMENT WITH RESPECT TO:

CONJUCHEM BIOTECHNOLOGIES INC.

Petitioner

-and-

RSM RICHTER INC.

Monitor

CLAIMS PROCESS ORDER

SEEING the petition of ConjuChem Biotechnologies Inc.(the "**Petitioner**") for an order establishing a procedure for the identification, resolution and barring of claims against the Petitioner, and the affidavit in support thereof (the "**Petition**"), and the submissions of counsel.

THIS COURT:

Service

- [1] **ORDERS** that the *Petition to establish a claims process* (the "**Petition**") filed by the Petitioner is properly presentable today and that the time for service of the Petition be abridged;

Definitions

- [2] **ORDERS** that the following terms in the present order (the "**Order**") shall, unless otherwise indicated, have the following meanings ascribed thereto:
- (a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
 - (b) "**Business Day**" means a day, other than a Saturday, a Sunday or a non-judicial day (as defined in article 6 of the *Code of Civil Procedure*, R.S.Q., c. C-25, as amended);

- (c) "**CBCA**" means the *Canada Business Corporations Act*, R.S.C., 1985 c. C-44, as amended;
- (d) "**CCA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (e) "**CCA Proceedings**" means the proceedings in respect of the Petitioner before the Court commenced pursuant to the CCA;
- (f) "**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, provided however that that in no case shall a Claim include an Excluded Claim;
- (g) "**Claims Bar Date**" means 5:00 p.m. (Montréal time) on May 31, 2010;
- (h) "**Court**" means the Québec Superior Court (Commercial Division);
- (i) "**Creditor**" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person and includes a Known Creditor. A Creditor shall not include an Excluded Creditor in respect of that Person's claim resulting from an Excluded Claim;
- (j) "**Creditors' Instructions**" means the instructions for Creditors, including a Proof of Claim and an instruction letter explaining how to complete same;
- (k) "**Creditors' List**" means a list of all Known Creditors;
- (l) "**Creditors' Meeting**" means the meeting of the Petitioner's Creditors to be convened for the purposes of voting on the Plan, and any adjournment thereof;
- (m) "**Debenture**" means a debenture, a note or other evidence of indebtedness issued pursuant to the Debenture Indenture, including any debentures validly issued in substitution or replacement thereof;
- (n) "**Debentureholders**" means a registered or beneficial holder of a Debenture;
- (o) "**Debenture Trustee**" means a trustee in respect of any issue of Debenture;

- (p) "**Debenture Indenture**" means the indenture dated as of December 13, 2007 between ConjuChem Biotechnologies Inc. as Issuer and Computershare Trust Company of Canada, as Debenture Trustee;
- (q) "**Designated Newspapers**" means La Presse and The Gazette;
- (r) "**Determination Date**" means February 26, 2010;
- (s) "**Excluded Claim**" means any claim which cannot be compromised under the terms of the CCAA and any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind which came into existence after the Determination Date (except for Restructuring Claims) and any interest thereon, including any obligation of the Petitioner toward creditors who have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Petitioner after the Determination Date, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds after the Determination Date and to the extent that such claims are not otherwise affected by the Plan;
- (t) "**Excluded Creditor**" means a Person having a Claim in respect of an Excluded Claim but only in respect of such Excluded Claim and to the extent the Plan does not otherwise affect such Claim;
- (u) "**Initial Order**" means the order of this Court made on February 26, 2010 under the CCAA;
- (v) "**Known Creditor**" means a Creditor whose Claim is included in the Petitioner's books and records and includes, without limitation, the Debenture Trustee;
- (w) "**Monitor**" means RSM Richter Inc., in its capacity as monitor appointed pursuant to the Initial Order;
- (x) "**Newspaper Notice**" means the notice of this Order to be published in the Designated Newspapers on the Publication Date in accordance with paragraph [3], which shall set out the Claims Bar Date and the Creditors' Instructions;
- (y) "**Notice of Revision or Disallowance**" means the notice referred to in paragraph [12] hereof, advising a Creditor that the Monitor has revised or rejected all or part of such Creditor's Claim set out in its Proof of Claim and setting out the reasons for such revision or disallowance;
- (z) "**Person**" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;
- (aa) "**Plan**" means a plan to be filed by the Petitioner pursuant to the CCAA, as such plan may be amended or supplemented from time to time;

- (bb) **"Proof of Claim"** means the form of Proof of Claim for Creditors referred to in paragraphs [6], [12], [8], [10], [11] and [12] hereof;
- (cc) **"Proven Claim"** means the amount of any Claim of any Creditor determined in accordance with the provisions of the CCAA and this Order, and proven by delivering a Proof of Claim to the Monitor;
- (dd) **"Publication Date"** means the date on which the publication of the Newspaper Notice in all of the Designated Newspapers has been completed;
- (ee) **"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 on or after the Determination Date, of any contract, lease, employment agreement, collective agreement or other agreement, whether written or oral, provided that such Person receives a notice of repudiation, termination, disclaimer or resiliation from the Petitioner on or before May 5, 2010 provided however that a Restructuring Claim shall not include an Excluded Claim;
- (ff) **"Restructuring Claims Bar Date"** means 5:00 p.m. (Montreal time) on June 3, 2010;
- (gg) **"Sanction Hearing"** means a hearing before the Court to seek the approval of the Plan;
- (hh) **"Voting Claim"** of a Creditor means the Proven Claim of the Creditor unless the Proven Claim of the Creditor is not finally determined at the time of the Creditors' Meeting, in which case it means the Claim of the Creditor which is accepted for voting purposes in accordance with the provisions of this Order, the Plan and the CCAA;

General Procedure

- [3] **ORDERS** that the Newspaper Notice 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 6, 2010;
- [4] **ORDERS** that the Monitor shall publish on its website on or before May 1, 2010, a copy of this Order, of the Creditors' List and of the Creditors' Instructions;
- [5] **ORDERS** that, in addition to the publication referred to in paragraph [4], the Monitor shall send a copy of this Order and of the Creditors' Instructions, by regular mail, to (i) each Known Creditor at the last known address for each Known Creditor on the Petitioner's books and records as soon as practicable and no later than May 1st, 2010, (ii) each Creditor with a Restructuring Claim that arose prior to the date of this Order as soon as practicable and in no event later than May 1st, 2010, (iii) each Creditor with a Restructuring Claim that arises after the date of this Order, as soon as practicable after any such Restructuring Claim arises, but no later than May 5, 2010, (iv) any Person claiming to be a Creditor and requesting such material, as soon as practicable following receipt of a request therefore;

Claims Procedure

- [6] **ORDERS** that any Person asserting a Claim, including a Restructuring Claim which arose before the date of this Order, against the Petitioner, shall file with the Monitor a Proof of Claim on/or before the Claims Bar Date;
- [7] **ORDERS** that any Person asserting a Restructuring Claim which arises after the date of this Order against the Petitioner shall file with the Monitor a Proof of Claim on/or before the Restructuring Claims Bar Date;
- [8] **ORDERS** that the Debenture Trustee shall be authorized to file with the Monitor a Proof of Claim on behalf of the Debentureholders on/or before the Claims Bar Date in respect of the Debentures for which the Debenture Trustee acts. In this regard, the process herein for identifying and quantifying Claims will apply to Claims pursuant to Debentures on an aggregate basis and Debentureholders are not required to (but are otherwise entitled to file) file individual Proofs of Claim in respect of Claims pursuant to their Debentures;
- [9] **ORDERS** that the process for determining each individual Debentureholder's Claim for voting and/or distribution purposes will be established by further order of this Court;
- [10] **ORDERS** that subject to paragraph [8] with respect to Claims pursuant to Debentures, any Person asserting a Claim shall include any and all Claims it asserts against the Petitioner in a single Proof of Claim;
- [11] **ORDERS** that, subject to paragraph [8] with respect to Claims pursuant to Debentures, any Creditor who does not file a Proof of Claim as provided for in paragraphs [6],[7],[8] and [10] hereof so that such Proof of Claim is received by the Monitor on/or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, or such later date as the Monitor and the Petitioner may agree in writing or this Court may otherwise ordered:
- (a) shall be and is hereby forever barred from making or enforcing any Claim(s) against the Petitioner and the Claim(s) shall e forever extinguished;
 - (b) shall not be entitled to any further notice; and
 - (c) shall not be entitled to participate as a Creditor in these proceedings.
- [12] **ORDERS** that the following procedure shall apply where a Creditor files a Proof of Claim on or before the Claims Bar Date or the Restructuring Claims Bar Date, as the case may be:
- (a) the Monitor, together with the Petitioner, shall review the Proof of Claim to decide whether to accept, revise or disallow the amount of the Claim for voting and distribution purposes. Together with the Petitioner, the Monitor may attempt to consensually resolve the amount of any Claim with the Creditor or, where applicable, the Monitor shall send the Creditor a Notice of Revision or Disallowance by mail, telecopier, courier or other means of electronic communication;

- (b) the Creditor who receives a Notice of Revision or Disallowance and wishes to dispute it shall, within ten (10) days of the Notice of Revision or Disallowance, or at such later date as the Monitor and the Petitioner may agree in writing or this Court may otherwise order, file an appeal motion with the Court and serve a copy of such appeal motion to the Petitioner's counsel identified in paragraph [13] hereof and the Monitor;
- (c) unless otherwise authorized by this Court, if the Creditor does not file an appeal motion within the delay provided for above, such Creditor shall be deemed to have accepted the value of its Claim as set out in the Notice of Revision or Disallowance;
- (d) where the Creditor appeals from the Notice of Revision or Disallowance or its Claim has not been finally determined prior to the date of any Creditors' Meeting, the Monitor, in conjunction with the Petitioner, will determine the amount of the Voting Claim, unless the Court decides otherwise;

Notices and Communications

[13] **ORDERS** that any notice or other communication to be given under this Order by a Creditor to the Monitor or the Petitioner shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by mail, telecopier, courier or other means of electronic communication addressed to:

Monitor :	RSM Richter Inc.
	Attention : Gilles Robillard
	E-mail : grobillard@rsmrichter.com
	Ariella Yedid
	E-mail : ayedid@rsmrichter.com
Monitor's counsel	Gowling Lafleur Henderson LLP Attention : Denis St-Onge and Louise Lalonde E-mail: denis.st-ong@gowlings.com E-mail : louise.lalonde@gowlings.com

Petitioner's counsel	McCarthy Tétrault LLP Attention: Sylvain Vauclair E-mail : savaclair@mccarthy.ca
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[14] **ORDERS** that any document sent by the Monitor pursuant to this Order may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission. A Creditor shall be deemed to have received any document sent pursuant to this Order two (2) Business Days after the document is sent by mail, one (1) Business Day after the document is sent by courier, by 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;

General Provisions

- [15] **ORDERS** that for the purposes of this Order, all Claims that are denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date;
- [16] **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, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents;
- [17] **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;
- [18] **ORDERS** that all references to the word "including" shall mean "including without limitation";
- [19] **ORDERS** that notwithstanding any other provision of this Order, the solicitation by the Monitor or the Petitioner of Proofs of Claim, and the filing by any Person of any Proof of Claim shall not, for that reason only, grant any Person any standing or rights under any proposed Plan;
- [20] **ORDERS** that nothing in this Order shall constitute or be deemed to constitute an allocation or assignment of Claims or Excluded Claims by the Petitioner into particular affected or unaffected classes for the purpose of a Plan and, for greater certainty, the treatment of Claims, Excluded Claims or any other Claims is to be subject to a Plan and the classes of creditors for voting and distribution purposes shall be subject to terms of any proposed Plan or further order of this Court;
- [21] **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;
- [22] **ORDERS** the provisional execution of this Order notwithstanding appeal;
- [23] **THE WHOLE** without costs.

MONTREAL, April 29, 2010



Honorable Chantal Corriveau, S.C.J.