

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
COMMERCIAL DIVISION

(Sitting as a court designated under the
Companies' Creditors Arrangement Act)

NO: 500-11-022623-041

The Honourable Paul Chaput J.S.C., presiding

IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF :

QBIOGÈNE INC.

Petitioner

and

RSM RICHTER INC.

Monitor

ORDER

[1] **WHEREAS** the Court has taken knowledge of the motion to sanction a plan of arrangement, the affidavit of Steve Perrone solemnly affirmed on August 5, 2004, the exhibits, and the submissions of counsel for Qbiogène Inc.;

FOR THESE REASONS, THE COURT:

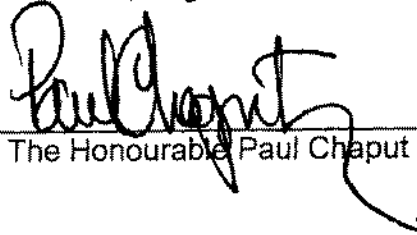
- [2] **GRANTS** the present motion to sanction the plan of arrangement of Qbiogene Inc. pursuant to section 6 of the *Companies' Creditors Arrangement Act* (the "CCAA");
- [3] **ABRIDGES** the delay for the service, filing and presentation of the present motion;
- [4] **DECLARES** that the present motion was validly served and filed;
- [5] **DECLARES** that Qbiogene Inc.'s plan of arrangement under the CCAA, dated July 20, 2004 (the "Plan", Exhibit R-1) is fair and reasonable;
- [6] **DECLARES** that, in all matters relating to the meeting of its creditors and to the Plan, Qbiogene Inc. has complied in all respects with the CCAA and the orders of this court;


- [7] **DECLARES** that the meeting of the creditors of Qbiogene Inc. held on August 5, 2004, at 4:00 p.m., to consider the Plan (the "Creditors Meeting") was duly convened;
- [8] **DECLARES** that the Plan (Exhibit R-1) was duly approved at the Creditors Meeting by the requisite majority of creditors under the CCAA;
- [9] **ORDERS** that the Plan (Exhibit R-1), including all transactions contemplated by the Plan, is hereby sanctioned and approved;
- [10] **DECLARES** that the Plan (Exhibit R-1) is binding upon all of the creditors of Qbiogene Inc. and is executory;
- [11] **ORDERS** that the provisions of all orders of this court in the present proceedings, including without limitation the Stay Termination Date, as defined in the order of this court dated March 9, 2004 (the "Initial Order"), shall remain in full force and effect until the Effective Date as defined in the Plan (Exhibit R-1), and for greater certainty, **ORDER** that the Stay Termination Date, as defined in the Initial Order, is hereby extended up to and including the Effective Date as defined in the Plan;
- [12] **ORDERS** that the implementation of the Plan shall be conditional upon the filing into the court record of a certificate (the "Monitor's Certificate") which shall confirm the Effective Date as defined in the Plan (Exhibit R-1), and serve as conclusion evidence thereof;
- [13] **ORDERS** that, as of the Effective Date as defined in the Plan (Exhibit R-1), no party to any agreement with Qbiogene Inc. (including leases of both real and personal property), other than agreements which have been terminated or repudiated by Qbiogene Inc. under the Plan or the Initial Order or any other order of this court, may accelerate, terminate, rescind, repudiate or modify such agreement or any obligations thereunder, or otherwise exercise its rights and remedies under such agreement, by reason of:
- (a) Qbiogene Inc. having applied for or obtained relief under the CCAA;
 - (b) the insolvency of Qbiogene Inc. at any time up to the Effective Date;
 - (c) any event occurring prior to the Effective Date (but not continuing thereafter) which would entitle any party to accelerate the obligations of Qbiogene or to terminate, rescind, repudiate or modify its obligations or otherwise exercise its rights or remedies under an agreement;

- (d) any compromise or arrangement effected pursuant to the Plan; or
 - (e) the effect upon Qbiogene Inc. of any of the transactions contemplated in the Plan;
- [14] **DECLARES** that upon the implementation of the Plan on the Effective Date as defined in the Plan (Exhibit R-1), Qbiogene Inc. and its directors and other representatives shall be released and discharged from any and all indebtedness, obligations and liabilities to the extent provided in the Plan;
- [15] **DECLARES** that all executory contracts to which Qbiogène is a party are in full force and effect notwithstanding the CCAA proceedings or the Plan (Exhibit R-1) and its attendant compromises, and that no Person party to such an executory contract shall be entitled to terminate or repudiate or vary its obligations under such contract by reason of the commencement of the CCAA proceedings, the content of the Plan or any other reason, including the transactions entered into by Qbiogène in the course of its restructuring and reorganization or the compromises effected under the Plan;
- [16] **ORDERS** that upon the final distribution under the Plan (Exhibit R-1), the Administrative Charge and the D & O Charge (as defined in the Initial Order) shall be discharged provided that all fees secured by the Administrative Charge and the D & O Charge have been paid to the reasonable satisfaction of the persons entitled thereto;
- [17] **ORDER** that the present order shall have full force and effect in all provinces and territories in Canada, and abroad;
- [18] **REQUESTS** the aid and recognition of any court or administrative body in any province or territory of Canada, including the Federal Court of Canada and any administrative tribunal or other court constituted pursuant to the authority of the parliament of Canada, and any foreign court or administrative body, to act in aid of and to assist this court in carrying out the terms of the present order;
- [19] **ORDERS** that the Subscription Agreement (Exhibit R-2) be filed and kept confidentially in a sealed envelope;
- [20] **ORDERS** the provisional execution of the order notwithstanding appeal;

[21] THE WHOLE without costs unless contested.

Montreal, August 6, 2004.


The Honourable Paul Chaput J.S.C.


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