

**CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C. 1985, c. C-36 and the *Canada Business
Corporations Act*, R.S.C. 1985, c. C-44)

No.: 500-11-031896-075

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

**SRX POST HOLDINGS INC. (formerly SR
TELECOM INC.)**

Petitioner

- and -

RSM RICHTER INC.

Monitor

~~September 18, 2008~~ October 16, 2008

AMENDED PLAN OF COMPROMISE AND REORGANIZATION

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated or the context otherwise requires:

"**Administration Reserve**" means a reserve in the aggregate amount of \$750,000.00 to be held by the Monitor to pay the fees and disbursements of the Monitor and its counsel, Newco's trustee in bankruptcy, SRX's Canadian counsel, Osler, Hoskin & Harcourt LLP and McCarthy Tetrault LLP (with respect to McCarthy Tetrault LLP's handling of one Disputed Claim) and counsel to the Secured Lenders, incurred after the Plan Implementation Date in connection with the CCAA Proceedings, with any remaining balance upon discharge of the Monitor to be paid to the Secured Lenders in respect of their Secured Claims;

"**Affected Claim**" means any Claim except for an Unaffected Claim;

"**Affected Creditor**" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"**Affected Creditors Class**" means the class of Affected Creditors entitled to vote on this Plan at the Meeting of Creditors;

"**Affected Creditors' Fund**" means the cash pool, in the amount of \$1,000,000.00, from which, after deduction of any amounts required to pay the Claims enumerated in Section 5.1(b), distributions are to be made to Affected Creditors with Proven Claims pursuant to this Plan, as more particularly described in Article 5 hereof;

"**Arrangement Agreement**" means the agreement dated as of August 14, 2008 among SRX, Bonterra, Bonterra Energy Income Trust and Novitas Energy Ltd., including the schedules, exhibits and appendices thereto;

"**Bankruptcy Order**" means a bankruptcy order made pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3;

"**Bonterra**" means Bonterra Energy Corp.;

"**Bonterra Arrangement**" means the arrangement pursuant to Section 193 of the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, involving Bonterra, Bonterra Energy Income Trust and Novitas Energy Ltd., pursuant to the Arrangement Agreement;

"**Bonterra Note**" means the secured promissory note to be executed by SRX in favour of Bonterra pursuant to the Arrangement Agreement to evidence the Investment;

"**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Montreal, Quebec;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44;

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36;

"**CCAA Proceedings**" means the proceedings commenced by SRX under the CCAA pursuant to the Initial Order;

"**Claim**" means (i) any right or claim of any Person against SRX, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of SRX, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including without limitation, arising by reason of the commission of a tort (intentional or unintentional), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust, constructive trust or deemed trust (statutory, express, implied, resulting, or otherwise) against any property or assets, any Taxes and together with any security enforcement costs or legal costs associated with any such claim, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, by surety, by warranty, or otherwise, and whether or not such right is executory or anticipatory in nature, including without limitation, any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation by SRX of any contract, lease or other agreement, whether written or oral, any claim made or asserted against SRX through any affiliate, associated or related person as such terms are defined in the CBCA, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, and includes any other claims of any kind that, if unsecured, would have been claims provable in bankruptcy within the meaning of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 had SRX become bankrupt on the Filing Date, including any other claims arising from or caused by, directly or indirectly, the implementation of, or any action taken pursuant to, the Initial Order or the CCAA Proceedings; and (ii) any claim or right of any Person against SRX in connection with any unpaid indebtedness, liability or obligation of any kind owed to such Person incurred or arising out of events or transactions occurring after the Filing Date, including without limitation, as a result of any goods or services supplied after the Filing Date or as a result of the restructuring, repudiation or termination after the Filing Date of any contract, lease or other agreement whether written or oral;

"**Claims Bar Date**" means May 23, 2008;

"Claims Procedure" means, collectively, the claims procedure set out in the Claims Procedure and Meeting Order and in the schedules and appendices thereto and the supplementary claims procedure to be set out in the Sanction Order in respect of any Claims arising after the Claims Bar Date;

"Claims Procedure and Meeting Order" means the Order of the Court dated April 23, 2008, setting out the Claims Procedure and authorizing SRX to call the Meeting of Creditors to consider and vote on this Plan;

"Filing Date" means November 19, 2007, being the date that the Initial Order was issued by the Court pursuant to the CCAA;

"Confirmation Date" means the date that the Sanction Order is made by the Court;

"Court" means the Superior Court of the Province of Quebec, District of Montreal;

"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, liquidator or other Person acting on behalf of such Person;

"Disputed Claim" of a Creditor means the amount of the Claim of such Creditor which has not been finally determined as a Proven Claim at or before the Meeting of Creditors in accordance with the Claims Procedure or by the time distributions take place in accordance with this Plan, but that has not been extinguished or barred pursuant to the Claims Procedure;

"Election Deadline" means 5:00 p.m. on October 15, 2008, being the date by which an Election to Reduce Claim must be received by the Monitor in order for an Affected Creditor to receive the distributions set out in Section 4.1(a);

"Election to Reduce Claim" means the form of election attached as Appendix "1" to this Plan;

"Existing SRX Equity" means all of the issued and outstanding equity in the capital of SRX, including any and all issued and outstanding common or preferred shares of SRX of every class and series, and any and all warrants, options and agreements to purchase any of the foregoing;

"Initial Order" means the Order made by the Court pursuant to the CCAA on November 19, 2007 in respect of SRX;

"Investment" means the loan to be made by Bonterra to SRX pursuant to the Arrangement Agreement, to be evidenced by the Bonterra Note;

"Known Affected Creditor" means an Affected Creditor whose Claim is identified in the books and records of SRX and to whom SRX or the Monitor has sent notice of such Claim in accordance with the applicable Claims Procedure;

"Meeting of Creditors" means the meeting of the Affected Creditors called for the purpose of considering and approving this Plan and includes any adjournment of such meeting;

"Monitor" means RSM Richter Inc., in its capacity as Monitor of SRX, as appointed by the Initial Order, and any successor thereto appointed by any further Order;

"Newco" means a corporation to be incorporated pursuant to Section 7.1(c)(i);

"Order" means any order of the Court made in connection with the CCAA Proceedings or this Plan;

"Person" means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled;

"Plan" means this Plan of Compromise and Reorganization filed by SRX under the CCAA and CBCA, as such Plan may be amended, varied or supplemented by SRX from time to time in accordance with the terms hereof;

"Plan Implementation Date" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court a certificate pursuant to Section 7.2 confirming that all conditions to implementation of this Plan as set forth in Section 7.1 have been satisfied;

"Proven Claim" of a Creditor means the amount of the Affected Claim of such Creditor as finally determined and accepted for voting and distribution purposes in accordance with the applicable Claims Procedure;

"Required Majorities" means a majority in number of Affected Creditors with Proven Claims (and, if applicable, Disputed Claims) representing two-thirds in value of such Affected Creditors' Proven Claims (and, if applicable, Disputed Claims) with respect to the Affected Creditors' Class, in each case present and voting in person or by proxy at the Meeting of Creditors;

"Sanction Order" means the Order of the Court sanctioning and approving this Plan;

"Secured Claim" means any Claim or portion thereof which is secured by a validly attached and existing security interest on the property of SRX which was duly and properly perfected at the Filing Date;

"Secured Lenders" means the syndicate of lenders which have entered into an Amended and Restated Credit Agreement dated as of June 27, 2007, between SRX, as borrower, BNY Trust Company of Canada, as administrative agent and collateral agent, and the lenders party thereto, as amended, restated or otherwise modified from time to time;

"SRX" means SRX Post Holdings Inc., formerly SR Telecom Inc.;

"Supplementary Bar Date" means the bar date to be set by the Court in the Sanction Order with respect to any Claims arising after the Claims Bar Date, which date shall not be later than the first Business Day that is 21 days after the Confirmation Date;

"Tax" or "Taxes" shall mean any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to gross receipts, income, profits, sales, capital, use and occupation, goods and services, and value added, *ad valorem*, transfer, franchise, withholding, custom duties, payroll, recapture, employment, excise and property taxes, together with all interest, penalties, fines and additions with respect to such amounts;

"Transferred Assets" means the assets of SRX to be transferred to Newco, consisting of: (i) the shares and any other equity held by or for the benefit of SRX in the capital of other companies or corporate entities; and (ii) all of SRX's remaining intellectual property, including the "Airstar" intellectual property;

"Unaffected Claim" means only the following Claims designated in this Plan (or any amendments thereto) as not being affected by this Plan and which are listed in the books and records of SRX or of which SRX and the Monitor have received actual notice:

- (i) Secured Claims of the Secured Lenders in the final amounts asserted by the Secured Lenders as secured claims pursuant to the Claims Procedure;
- (ii) Claims of Bonterra under the Bonterra Note and any Claims of Bonterra arising from or relating to the Investment, the Arrangement Agreement or any breach thereof by SRX; and
- (iii) Claims of the Monitor and its counsel, Claims of SRX's Canadian counsel, Osler, Hoskin & Harcourt LLP and McCarthy Tetrault LLP (with respect to McCarthy Tetrault LLP's handling of one Disputed Claim) and Claims of the Secured Lenders' counsel, in respect of their fees and costs incurred in connection with the CCAA Proceedings. Any such unpaid fees and costs incurred up to the Plan Implementation Date shall be paid by SRX on the Plan Implementation Date. Any such fees and costs incurred after the Plan Implementation Date shall be paid from the Administration Reserve;

"Unaffected Creditor" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

1.2 **Interpretation, etc.**

For purposes of this Plan:

- (a) all accounting terms not otherwise defined herein shall have the meanings ascribed to them, from time to time, in accordance with Canadian generally

accepted accounting principles, including those prescribed by the Canadian Institute of Chartered Accountants;

- (b) all references to currency are to Canadian Dollars, except as otherwise indicated;
- (c) any reference to a contract, instrument, release, indenture, or other agreement or document as being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (d) any reference to an Order or to an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified or supplemented from time to time;
- (e) any reference to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force from time to time;
- (f) the division of this Plan into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan;
- (g) the words "hereunder", "hereof", "hereto" and similar expressions refer to this Plan and not to any particular Article or Section and references to "Articles" or "Sections" are to Articles and Sections of this Plan;
- (h) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan;
- (i) where the context requires, a word or words importing the singular shall include the plural and vice versa; and a word or words importing the masculine gender shall include the feminine and neuter genders and vice versa;
- (j) the words "includes" and "including" are not limiting and shall be read as "including, without limitation";
- (k) the phrase "may not" is prohibitive and not permissive; and
- (l) the word "or" is not exclusive.

1.3 Date for any Action

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.

In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken by 5:00 p.m. on the next succeeding day which is a Business Day.

1.4 Time

All times expressed in this Plan are local time in Montreal, Quebec, unless otherwise stipulated.

ARTICLE 2 PURPOSE

2.1 Purpose

The purpose of this Plan is to effect a compromise of all Claims against SRX other than Unaffected Claims in order to facilitate the making of the Investment, which will increase significantly the realization for the Creditors of SRX in comparison to the realization that would be available in a bankruptcy of SRX.

2.2 Affected Claims

This Plan will be implemented under the CCAA and the CBCA and will become effective and binding on and after the Plan Implementation Date, and shall be binding upon SRX and all relevant Persons referred to herein, and their respective heirs, administrators, executors, legal personal representatives, successors, and assigns.

2.3 Unaffected Claims

This Plan does not affect Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in this Plan shall affect anyone's rights and defenses, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims. The Bonterra Note will not be compromised or otherwise affected by the Plan and the proceeds from the Investment will be used to pay the Affected Creditors' Fund and to pay the Secured Lenders in respect of their Secured Claims.

ARTICLE 3 CREDITORS AND CLAIMS

3.1 Classification of Creditors

For the purposes of receiving distributions or other treatment under the Plan, there shall be one class of Affected Creditors, being the Affected Creditors Class.

3.2 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person in writing or unless its Claims overlap or are otherwise duplicative.

3.3 Meeting of Creditors

The Meeting of Creditors shall be held in accordance with the Claims Procedure and Meeting Order and this Plan.

3.4 Approval by Creditors

SRX will seek approval of this Plan by the affirmative vote of the Required Majorities of Creditors in the Affected Creditors Class, in order that, subject to the sanctioning of this Plan pursuant to the CCAA and the terms hereof, this Plan becomes binding on SRX and all Persons affected by this Plan.

3.5 Unaffected Claims

Any Creditor with an Unaffected Claim shall not be entitled to vote at the Meeting of Creditors or to receive any distributions under Article 4 of this Plan in respect of such Unaffected Claim.

3.6 Crown Priority Claims

Within six months after the Confirmation Date, SRX shall pay in full to Her Majesty in Right of Canada or of a province all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of any provincial legislation and that were outstanding on the Filing Date.

3.7 Arrangements with Secured Lenders

The arrangements between SRX and the Secured Lenders in respect of their Secured Claims do not form part of, and are not affected by this Plan. However, implementation of this Plan is dependent upon the support of the Secured Lenders and is conditional upon the Secured Lenders being satisfied that all necessary preconditions, steps and transactions necessary for implementation of the Plan and the arrangements between SRX and the Secured Lenders have occurred.

3.8 Bonterra not Entitled to Distribution

In accordance with the terms of the Arrangement Agreement, any Claims of Bonterra in respect of the Bonterra Note or arising from or relating to the Investment or the Arrangement Agreement, including as a result of any breach thereof by SRX, shall not be affected by this Plan, and none of Bonterra, Bonterra Energy Income Trust or Novitas Energy Ltd. shall be entitled to

any distribution or payment (including in respect of the Bonterra Note) pursuant to this Plan or otherwise or, except as provided in the Arrangement Agreement, have any right, claim or recourse against any of the property or assets or proceeds thereof owned by SRX prior to the Plan Implementation Date, any funds from the Investment, any entity or person to which such property or assets of SRX may be assigned, transferred or conveyed, or any of their creditors or representatives of creditors, including without limitation, the Monitor or any monitor appointed pursuant to the CCAA, any receiver or interim receiver, or any trustee in bankruptcy or proposal trustee.

3.9 Holders of Existing SRX Equity

Holders of Existing SRX Equity shall not be entitled to any payment or other compensation with respect to such Existing SRX Equity and any and all Claims that any Person may have that are directly or indirectly related to or are derived from such Existing SRX Equity shall be deemed to be released in full without any compensation.

ARTICLE 4

TREATMENT OF AND DISTRIBUTIONS TO AFFECTED CREDITORS

For purposes of this Plan, Affected Creditors shall receive the treatment provided in this Article on account of their Affected Claims in full and final satisfaction of their Affected Claims.

4.1 Distribution

All Affected Creditors shall constitute a single class under the Plan for all purposes and, subject to Section 7.1, shall be treated as follows:

- (a) Each Affected Creditor who, on the Plan Implementation Date, holds Affected Claims (except for Claims enumerated in Section 5.1(b)) in an aggregate amount of \$2,000.00 or less or an Affected Creditor who, on the Plan Implementation Date, holds Affected Claims in an aggregate amount in excess of \$2,000.00 and who, by providing an Election to Reduce Claim to the Monitor prior to the Election Deadline, agrees to reduce the aggregate amount of all such Person's Affected Claims to \$2,000.00, in either case, will receive in respect of its Proven Claims, as soon as practicable after the Plan Implementation Date, in full and final satisfaction of its Affected Claims, from the Affected Creditors' Fund (subject to the reserves set out in Section 5.1(b)), the lesser of : (i) \$2,000.00; and (ii) the aggregate amount of such Affected Creditor's Proven Claims. A Person who receives payment in accordance with this Section 4.1(a) shall not be entitled to any other payment or consideration with respect to such Person's Affected Claims and such Person's Affected Claims shall be discharged and extinguished on the Plan Implementation Date, and thereafter, the only obligation of SRX in respect of the Affected Claims of such Person shall be to make the payment set out above in this Section 4.1(a);
- (b) Each Affected Creditor who, on the Plan Implementation Date, holds Affected Claims (except for Claims enumerated in Section 5.1(b)) in an aggregate amount

in excess of \$2,000.00 and who does not provide the Monitor with an Election to Reduce Claim prior to the Election Deadline will receive, in full and final satisfaction of its Affected Claims, payment of its *pro rata* share of the remaining Affected Creditors' Fund, after deducting the reserves set out in Section 5.1(b) and the payments made or to be made pursuant to Section 4.1(a) above, in respect of its Proven Claims in accordance with Article 5 hereof, and such Person's Affected Claims shall be discharged and extinguished on the Plan Implementation Date, and thereafter, the only obligation of SRX in respect of the Affected Claims of such Person shall be to make the payment set out above in this Section 4.1(b); and

- (c) Claims proved to be owing and enumerated in Section 5.1(b) shall be paid in full from the reserves from the Affected Creditors' Fund, set out in Section 5.1(b), in full and final satisfaction of such Claims.

4.2 Value of Claims for Distribution Purposes

The value of a Proven Claim for distribution purposes shall be determined in accordance with the provisions of the applicable Claims Procedure.

4.3 Interest

Interest shall not accrue or be paid on any Affected Claim from and after the Filing Date.

4.4 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised under this Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under this Plan shall be entitled to any greater rights as against SRX than the Person whose Claim is compromised under this Plan.

4.5 Loss of Right to Receive Distributions

Any Creditor (other than a Known Affected Creditor) who has not submitted a Proof of Claim in respect of an Affected Claim prior to the Claims Bar Date or (with respect to any Claims arising after the Claims Bar Date) the Supplementary Bar Date shall not be entitled to receive any distributions under this Plan in respect of such unsubmitted Affected Claim and on the Plan Implementation Date, such Affected Claims of such Creditor shall be released and discharged pursuant to the terms of this Plan and the applicable Claims Procedure, and any such Creditor shall have no recourse thereafter in respect thereof. Any Known Affected Creditor that has been sent notice of its Claim (including a Notice of Scheduled Creditor's Claim sent to such Creditor pursuant to the Claims Procedure and Meeting Order or any notice of Claim sent pursuant to the Sanction Order) and that has not submitted a Notice of Dispute in accordance with the applicable Claims Procedure shall be entitled to receive distributions under this Plan only in respect of its Affected Claims as set out in the notice of Claim and the balance of its Affected Claims, if any, shall be released and discharged pursuant to the terms of this Plan and the applicable Claims Procedure, and any such Creditor shall have no recourse thereafter in respect thereof. Nothing in this Plan extends or

shall be interpreted as extending or amending the Claims Bar Date or Supplementary Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure.

4.6 Distributions by SRX

SRX shall make all distributions and remittances required under this Plan, in accordance with this Plan, provided however, that it is expected the Monitor will provide SRX with any administrative assistance it requires with respect to such distributions, including, without limitation, the sending of the physical distributions to holders of Proven Claims from the Affected Creditors' Fund. However, in doing so, the Monitor shall be acting solely as an administrative aid and shall not be deemed to be making the distributions.

4.7 Delivery of Distributions

Distributions to holders of Proven Claims who are entitled to receive distributions pursuant to this Plan shall be made by cheque sent by prepaid ordinary mail by or on behalf of SRX: (i) to the address set forth in SRX's records for Known Affected Creditors or on the Proof of Claim filed by other Affected Creditors with Proven Claims, or (ii) to the addresses set forth in any written notices of address change delivered to SRX and the Monitor after the date of any related notice of Claim or Proof of Claim, as applicable. If any Affected Creditor's distribution is returned as undeliverable, no further distributions to such Affected Creditor shall be made unless and until SRX and the Monitor are notified of such Affected Creditor's then current address, at which time all missed distributions shall be made to such Affected Creditor without interest. All claims for undeliverable distributions in respect of Proven Claims must be made on or before the expiration of six (6) months following the Plan Implementation Date, after which date the Proven Claim of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed distributions shall be discharged and forever barred, notwithstanding any federal or provincial laws to the contrary, and any such undeliverable distributions shall be returned to the Monitor (without personal liability on the part of the Monitor) for distribution to the Secured Lenders in respect of their Secured Claims. Nothing contained in this Plan shall require SRX or the Monitor to attempt to locate any holder of a Proven Claim.

Where a Creditor transfers or assigns ownership of any Proven Claim or part thereof after the Meeting of Creditors, SRX shall not be obliged to pay monies to any such transferee or otherwise deal with such transferee in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, have been received by SRX and the Monitor by 5:00 p.m. on the day that is five Business Days immediately prior to the day on which the first distribution to Affected Creditors with Proven Claims is made. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure constitute a Creditor with a Proven Claim in respect of such Claim as a whole, and shall be bound by notices given and steps in respect of such Proven Claim.

4.8 Withholding and Reporting Requirements

In connection with this Plan and all distributions hereunder, SRX shall, to the extent applicable, comply with all tax withholding and reporting requirements imposed by any federal

or provincial taxing authority, with respect to distributions hereunder, if any. SRX shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the relevant Affected Creditor in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Notwithstanding any other provision of this Plan: (i) each holder of a Proven Claim that is to receive a distribution pursuant to this Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any governmental authority, including income, withholding and other Tax obligations, on account of such distribution, and (ii) no distribution shall be made to or on behalf of such holder pursuant to this Plan unless and until such holder has made, arrangements satisfactory to SRX and the Monitor for the payment and satisfaction of such Tax obligations. Any distributions to be distributed pursuant to this Plan shall, pending the implementation of such arrangements, be treated as an undeliverable distribution pursuant to Section 4.5. It is SRX's intent that distributions under this Plan to holders of Proven Claims are in respect of, and to be applied to, principal first and then interest.

ARTICLE 5 AFFECTED CREDITORS' FUND

5.1 Composition of Affected Creditors' Fund

Subject to Section 7.1, on the Plan Implementation Date, SRX shall retain cash in the amount of the Affected Creditors' Fund for distribution to holders of Affected Claims in respect of their Proven Claims, in accordance with this Plan. The Affected Creditors' Fund shall comprise, as at the Plan Implementation Date:

(a) the amount of \$1,000,000.00;

less:

- (b) (i) the amount of any Crown priority claims required to be paid pursuant to Section 3.6;
- (ii) any amounts remaining as at the Plan Implementation Date to be paid to present or former employees of SRX in respect of wages or other remuneration earned after the Filing Date;
- (iii) any amounts as at the Plan Implementation Date to be paid in respect of goods or services provided to SRX after the Filing Date (other than those services already covered under the Administration Reserve); and
- (iv) any amounts finally determined by the Monitor (without objection from the Secured Lenders) or the Court to be payable in respect of Claims arising exclusively between the Claims Bar Date and the Supplementary Bar Date, and which have been duly asserted by a Creditor in accordance with the Sanction Order.

5.2 Reserves for Disputed Claims

In the case of any Disputed Claim that has not become a Proven Claim on the date of Plan Implementation Date, SRX will reserve sufficient cash from the Affected Creditors' Fund to distribute to the Affected Creditor its pro-rata share in respect of such Disputed Claim in the event that such Disputed Claim becomes a Proven Claim. If the Disputed Claim becomes a Proven Claim in whole or in part in accordance with the applicable Claims Procedure after the Plan Implementation Date, the cash reserved in respect of such Disputed Claim (or an appropriate portion thereof) will be distributed to such Affected Creditor. If the Disputed Claim is ultimately disallowed in whole or in part in accordance with the Claims Procedure after such distribution date, any cash reserved in respect of such Disputed Claim (or the appropriate portion thereof) will be distributed by the Monitor (without personal liability) to the Secured Lenders in respect of their Secured Claims.

ARTICLE 6 RELEASES AND EXTINGUISHMENT OF CLAIMS

6.1 Plan Releases

Upon the implementation of this Plan on the Plan Implementation Date, the following Persons (being herein referred to individually as a "**Released Party**"): (i) SRX; (ii) Lazard Frères & Co. LLC, financial advisor to SRX, and any of its affiliates, or any of their respective directors, officers, members, employees, agents or controlling persons; (iii) the Monitor and its legal counsel in the CCAA Proceedings; (iv) all present and former shareholders, directors, officers and employees, auditors, financial advisors, legal counsel and agents of SRX in such capacities; and (v) any Person claiming to be liable derivatively through any or all of the foregoing Persons; shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including any and all Claims in respect of statutory liabilities of present and former directors, officers and employees of SRX and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date in any way relating to, arising out of or in connection with Claims, the business and affairs of SRX, this Plan and the CCAA Proceedings, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce SRX's obligations under the Plan or any related document), all to the full extent permitted by law, provided that nothing herein:

- (a) shall release or discharge a Released Party from an Unaffected Claim or shall release or discharge SRX from or in respect of its obligations under this Plan;
- (b) shall affect the right of any Person:

- (i) to recover indemnity from any insurance coverage under which that Person is an insured, or
 - (ii) to obtain recovery on a claim or liability against a Released Party from any insurance coverage pursuant to which that Released Party is an insured, but, for certainty, any claim or liability to which an insurer is or would otherwise be subrogated as against SRX is released hereunder and the recovery to which such Person shall be entitled under such insurance coverage shall be limited to the proceeds of insurance actually paid by the insurer with respect to the such claim or liability; or
- (c) shall release or discharge present or former directors of SRX with respect to matters set out in section 5.1(2) of the CCAA;

and provided further, however, that, notwithstanding the foregoing releases under the Plan, any Claim shall remain subject to any right of set-off that otherwise would be available to the Person against whom such Claim is asserted.

6.2 Extinguishment of Claims

As and from the Plan Implementation Date, the treatment of Affected Claims under this Plan shall be final and binding on all Persons affected by this Plan (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and, upon implementation of this Plan on the Plan Implementation Date, all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Plan.

ARTICLE 7 PLAN PRECONDITIONS AND REORGANIZATION STEPS

7.1 Conditions Precedent to Implementation of Plan

The implementation of this Plan is subject to the following conditions precedent:

- (a) approval of this Plan by the Required Majorities of Affected Creditors;
- (b) the completion of all steps (except for the implementation of the Plan) necessary for the completion of the Bonterra Arrangement pursuant to the Arrangement Agreement;
- (c) completion of the following steps relating to the transfer of the Transferred Assets to Newco, to the satisfaction of the Secured Lenders, unless waived in writing by the Secured Lenders:
 - (i) incorporation and organization of Newco under the CBCA, with such attributes as may be agreed upon by the Secured Lenders;

- (ii) execution and delivery by Newco to the Secured Lenders of a secured guarantee (upon such terms as agreed upon by the Secured Lenders) of the liabilities owed by SRX to the Secured Lenders, which guarantee shall not in any way diminish or affect the indebtedness of SRX to the Secured Lenders;
 - (iii) resignation of the sole director of Newco
 - (iv) transfer of all Transferred Assets from SRX to Newco for the sole consideration of \$1, being the fair market value thereof, free and clear of any liabilities or encumbrances, except for the Secured Lenders' Security, which shall continue to attach to the Transferred Assets provided that in no event shall Newco be considered as having assumed any liabilities or indebtedness of SRX as consideration for the transfer of the Transferred Assets;
 - (v) the issuance of a Bankruptcy Order in respect of Newco or the assignment into bankruptcy of Newco immediately after the transfer of the Transferred Assets to Newco, pursuant to which RSM Richter Inc. shall be appointed as bankruptcy trustee;
- (d) all applicable governmental, regulatory and judicial consents, orders and any and all filings with all governmental authorities and other regulatory authorities having jurisdiction, in each case to the effect deemed necessary or desirable by SRX for the completion of the transactions contemplated by this Plan or any aspect thereof, shall have been obtained or received;
- (e) issuance by the Court of the Sanction Order in a form and substance satisfactory to SRX, the Secured Lenders and Bonterra, acting reasonably providing for, *inter alia*, the following, or such other terms as may be agreed to by SRX, the Secured Lenders and Bonterra:
- (i) a simplified supplementary claims process to allow any Creditors who have Claims that have arisen after the Claims Bar Date to assert such Claims by the Supplementary Bar Date. For greater certainty, the supplementary claims process is intended to deal only with Claims arising after the Claims Bar Date and shall be in addition to the claims process set out in the Claims Procedure and Meeting Order and shall not in any way extend, vary, amend or affect the Claims Bar Date or any Claims that were barred or extinguished under the Claims Procedure and Meeting Order or otherwise;
 - (ii) a declaration and order declaring that the compromises and releases set out in the Plan are approved and shall be binding effective as of the Plan Implementation Date;
 - (iii) a declaration and order, consistent with the Claims Procedure and Meeting Order, forever barring and extinguishing any Claims arising after the

- Claims Bar Date that are not asserted by the Supplementary Bar Date by the filing of a proof of claim or notice of dispute, as applicable;
- (iv) a declaration and order that all of SRX's cash (including all amounts received by SRX from the Investment) shall be paid and distributed to the Secured Lenders, save and except only for the Affected Creditors' Fund and Administration Reserve, on the Plan Implementation Date;
 - (v) a declaration and order that the Affected Creditors' Fund shall be paid and distributed as soon as practicable after the Plan Implementation Date, having regard only to valid Claims that have been properly asserted by the Claims Bar Date or the Supplementary Bar Date (with respect to Claims arising after the Claims Bar Date) in accordance with the applicable Claims Procedure;
 - (vi) an order: authorizing the transfer of the Transferred Assets by SRX to Newco; authorizing the issuance of the secured guarantee by Newco to the Secured Lenders; and directing that immediately after the transfer of the Transferred Assets to Newco, a bankruptcy order shall be made in respect of Newco, all as more particularly set out in Section 7.1(c) above;
 - (vii) an order: terminating and discharging the D&O Charge and Administration Charge (together, the "CCAA Charges"), as defined in and created pursuant to the Initial Order; declaring that the Administration Charge shall continue to attach only to the Transferred Assets; and directing that any funds or property held as security for or in respect of the CCAA Charges be paid to the Secured Lenders in respect of their Secured Claims.
- (f) the Transferred Assets shall be transferred by SRX to Newco in accordance with the Sanction Order;
 - (g) the Bankruptcy Order shall have been made and issued by the Court (or the applicable court of competent jurisdiction) in respect of Newco;
 - (h) any remaining accounts receivable of SRX shall be held and collected by the Monitor as agent for the Secured Lenders and the proceeds thereof shall be paid by the Monitor (without personal liability) to the Secured Lenders as and when collected, without withholding or deduction in respect of any Taxes;
 - (i) unless waived by SRX, Bonterra and the Secured Lenders, acting reasonably, execution and delivery of all such agreements, resolutions, documents and other instruments which are necessary to be executed and delivered by SRX to implement this Plan and perform SRX's obligations hereunder;
 - (j) unless waived by SRX, Bonterra and the Secured Lenders, acting reasonably, all documents, agreements, approvals, consents and releases necessary to give effect

to all material provisions of this Plan shall have been executed and delivered by all relevant Persons in form and with content satisfactory to SRX; and

- (k) the Secured Lenders being satisfied with the resolution or disposition of all Claims, including without limitation, the quantum of any Claims enumerated in Section 5.1(b)(iv), the quantum of the reserves set out in Section 5.1(b), and that all preconditions, steps and transactions necessary to implementation of the Plan have occurred or, where permissible, have been waived, with no objection having been received from the Secured Lenders to implementation of the Plan after being provided with notice of the completion or waiver of all such necessary preconditions, steps and transactions;

7.2 Monitor's Certificate

Upon the satisfaction or, where permissible, waiver of the conditions set out in Section 7.1 the Monitor shall file with the Court a certificate which states that all conditions precedent set out in Section 7.1 of this Plan have been satisfied or, where permissible, waived, and that the Plan Implementation Date has occurred. In so certifying that the conditions precedent set out in Section 7.1 of this Plan have been satisfied or, where permissible waived, the Monitor shall be entitled to rely upon representations and confirmations from SRX.

7.3 Plan Implementation Date Transactions

Upon implementation of the Plan on the Plan Implementation Date, the following steps and transactions shall occur in the following sequence:

- (a) Bonterra shall make the Investment by paying the amount of the Investment determined in accordance with the Arrangement Agreement to SRX;
- (b) all of SRX's remaining cash (including all amounts received by SRX pursuant to the Investment) shall be paid and distributed to the Secured Lenders, save and except only for the Affected Creditors' Fund and the Administration Reserve;
- (c) the Secured Lenders shall execute and deliver a release of all Claims as against SRX and its present directors and officers, save and except for distributions that the Secured Lenders are entitled to from the Affected Creditors' Fund in respect of their unsecured Claims;
- (d) SRX shall file Articles of Reorganization pursuant to Section 191 of the CBCA to: amend its share capital to convert all issued and outstanding common shares of SRX existing immediately prior to the Plan Implementation Date ~~Existing SRX Equity~~ into redeemable preferred shares; create a new class of common shares to be issued to the unit holders of Bonterra Energy Income Trust; ~~and~~ change the name of SRX to "Bonterra Energy Ltd." or such other name agreed upon by Bonterra; and change the province in which the registered office of SRX is located;

- (e) immediately following the completion of the Bonterra Arrangement, the redeemable preferred shares of SRX shall be redeemed in accordance with their terms for no consideration and cancelled and all other Existing SRX Equity shall be cancelled for no consideration; and
- (f) new directors of SRX shall be appointed pursuant to a Court Order.

Upon the completion of the above steps the Affected Creditors' Fund shall be paid and distributed as soon as practicable after the Plan Implementation Date, to the Affected Creditors, in accordance with Articles 4 and 5 of the Plan.

ARTICLE 8 MISCELLANEOUS

8.1 Confirmation of Plan

- (a) provided that this Plan is approved by the Required Majorities of the Creditors with Proven Claims (and, if applicable, Disputed Claims), of the Affected Creditors Class, SRX will seek the Sanction Order for the sanction and approval of this Plan; and
- (b) subject only to the satisfaction of those conditions precedent to the implementation of this Plan described in Section 7.1, this Plan will be implemented by SRX and will be binding upon SRX in respect of all Affected Claims.

8.2 Paramountcy

Except with respect to Unaffected Claims, from and after the Plan Implementation Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, loan agreement, by-laws of SRX, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Creditors and SRX as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority. All Affected Creditors shall be deemed to consent to all transactions and steps contemplated in this Plan.

8.3 Compromise Effective for all Purposes

The payment, compromise or other satisfaction of any Affected Claim under this Plan, if sanctioned and approved by the Court, shall be final and binding upon Affected Creditors, their heirs, executors, administrators, legal personal representatives, successors and assigns and, upon the Plan Implementation Date, this Plan shall result in:

- (i) a full, final and absolute settlement of all rights of the Affected Creditors; and

- (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of SRX in respect of all Affected Claims.

8.4 Modification of Plan

SRX reserves the right, at any time and from time to time, but subject to the consent of the Secured Lenders and Bonterra (to the extent such amendment reasonably affects Bonterra), to amend, modify and/or supplement this Plan, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to the Meeting of Creditors, communicated to the Affected Creditors at the Meeting of Creditors or as otherwise required by the Court (if so required); and (ii) if made following the Meeting of Creditors, approved by the Court.

Any amendment, modification, or supplement may be made following the Sanction Order by SRX with the consent of the Monitor, ~~and the Secured Lenders~~ and Bonterra (to the extent such amendment reasonably affects Bonterra), provided that if it concerns a matter which, in the opinion of SRX, ~~and the Monitor, the Secured Lenders and Bonterra (to the extent such amendment reasonably affects Bonterra)~~, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and the Sanction Order and is not adverse to the financial or economic interests of the Creditors; provided, however, that any such amendment, modification, or supplement must be filed with the Court within ten days after its implementation.

Any supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section 8.4, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

8.5 Consents, Waivers and Agreements

As at 12:01 a.m. on the Plan Implementation Date, each Affected Creditor shall be deemed to have consented and to have agreed to all of the provisions of this Plan as an entirety. In particular, each such Creditor shall be deemed:

- (a) to have executed and delivered to SRX all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;
- (b) to have waived any and all defaults then existing or previously committed by SRX in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto, existing between any such Creditor and SRX and any and all notices of default and demands for payment under any instrument, including, without limitation any guarantee, shall be deemed to have been rescinded; and

- (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and SRX as at such time (other than those entered into by SRX on, or with effect from, such time) and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.6 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to, this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by courier, by prepaid ordinary mail or by telecopier addressed to the respective parties as follows:

- (a) if to SRX:

SRX Post Holdings Inc.
8150 Trans-Canada Highway
Montreal, Quebec
H4S 1M5
Attention: Marc Girard
Facsimile: (514) 334-7783

with a copy to:

Osler, Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal, Québec
H3B 4W5
Attention: Sandra Abitan and Martin Desrosiers
Facsimile: (514) 904-8101

- (b) if to a Creditor:

- (i) to the address for such Creditor specified in SRX's records in the case of Known Affected Creditors or in the Proof of Claim filed by a Creditor or,
- (ii) at the address set forth in any written notice of address changes delivered to the Monitor after the date of delivery of any related Notice of Claim or Proof of Claim.

- (c) if to the Monitor:

RSM Richter Inc.

2, Place Alexis Nihon
Montréal, Québec
H3Z 3C2
Attention: Raymond Massi
Facsimile: (514) 934-3477

or to such other address as any party may from time to time notify the others in accordance with this Section 8.6. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, at the time of delivery or, if delivered after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed. The unintentional failure by SRX to give notice contemplated hereunder to any particular Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

8.7 Severability of Plan Provisions

If, prior to the Confirmation Date, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of SRX, shall have the power to either (i) sever such term or provision from the balance of this Plan and provide SRX with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Plan Implementation Date, or (ii) alter or interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such severing, holding, alteration or interpretation, and provided SRX proceeds with the implementation of this Plan, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

8.8 Revocation, Withdrawal, or Non-Consummation

SRX reserves the right, subject to the consent of the Secured Lenders, to revoke or withdraw this Plan at any time prior to the Confirmation Date or to file subsequent or amended plans of compromise or arrangement. If SRX revokes or withdraws this Plan, or if the Sanction Order is not issued, (i) this Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Claims), or any assumption, termination or repudiation of executory contracts or leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void, and (iii) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against SRX or any other Person; (b) prejudice in any manner the rights of

SRX or any other Person in any further proceedings involving SRX; or (c) constitute an admission of any sort SRX or any other Person.

8.9 Further Assurances

Notwithstanding that the transactions and events set out in this Plan shall occur and be deemed to occur in the order set out herein without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed at the cost of the requesting party, all such further acts, deeds, agreements, transfers, assurances, instruments or, documents as may reasonably be required by SRX in order to better implement this Plan.

8.10 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in, or subject to, this Plan.

8.11 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.