

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
Commercial Division

File: No: 500-11- 031896-075

Montreal, December 10, 2007

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

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

SR TELECOM INC.

Petitioner

And

RSM RICHTER INC.

Monitor

ORDER

SEEING Petitioner's Motion for the Approval of a Key Employee Retention Plan and for the Approval of an Agreement pursuant the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "**CCAA**"), the exhibits, the affidavit of Marc Girard filed in support thereof (the "**Motion**"), the evidence submitted, the submissions of counsel for Petitioner, and the absence of contestation;

GIVEN the provisions of the CCAA;

WHEREFORE THE COURT:

[1] **GRANTS** the Motion.

[2] **DECLARES** that the time for service of the present Motion is hereby abridged such that the Motion is properly presentable, and further the Petitioner is dispensed from any requirements for further service of the Motion;

[3] **APPROVES** the key employee retention program (KERP), Exhibit **P-1**;

[4] **AUTHORIZES** Petitioner to enter into the KERP and to perform its obligations thereunder, including the making of any and all payments provided therein in accordance with the terms thereof;

[5] **AUTHORIZES** Petitioner to execute and deliver any such additional or ancillary documents as may be necessary to give effect to the KERP;

[6] **ESTABLISHES** a trust pursuant to which Petitioner will immediately deposit an amount equivalent to the Retention Bonus portion of the KERP in trust with the Monitor RSM Richter Inc., acting as trustee of the trust (the "**Trust Funds**"), which amount will be disbursed by the Monitor to the beneficiaries of the Retention Bonus in accordance with the terms of the KERP;

[7] **DECLARES** that the establishment of such a trust, the deposit by Petitioner of amounts therein and the disbursements made by the Monitor in relation thereto or made by Petitioner in relation to the KERP, shall be binding on any trustee in bankruptcy that may be appointed in respect of Petitioner and shall not be void or voidable and shall not be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act*, Section 1631 and following of the *Civil Code of Quebec* or any other applicable federal or provincial legislation;


[8] **DECLARES** that, to the extent that one or more Key Employees fails to meet the conditions precedent to the payment of a Retention Bonus pursuant to the terms of the KERP, any Trust Funds not used for the payment of the Retention Bonus to the Key Employees shall be remitted to Petitioner and remain subject to the security held by Petitioner's secured lenders

[9] **AUTHORIZES** Petitioner to enter into the amendment letter dated ^{ce} ~~November 22,~~ ^{December 6th} ~~2007~~ ^{25 ce} to the agreement dated September 27, 2007, entered into with Lazard Frères & Co. LLC, Exhibit **P-2** (collectively, the "**Lazard Agreement**") and to perform its obligations under the Lazard Agreement, including the making of any and all payments provided therein in accordance with the terms thereof;

[10] **ORDERS** the sealing of Exhibits **P-1**, **P-2** and **P-3**;

[11] **ORDERS** provisional execution of the order to be rendered pursuant hereto notwithstanding any appeal therefrom;

THE WHOLE WITHOUT COSTS.



CHANTAL CORRIVEAU, J.S.C.

COPIE CONFORME



Elaine C. Noveck
notary public