

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 15
	)	
PT HOLDCO, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 16-10131 (LSS)
	)	
Debtors in a Foreign Proceeding.	)	(Jointly Administered)
	)	

**FOREIGN REPRESENTATIVE’S MOTION, PURSUANT TO SECTIONS 363, 365, 1501, 1517, 1519, 1520, 1521 AND 105(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6004 AND 9014, FOR ENTRY OF AN ORDER RECOGNIZING AND ENFORCING THE ASSIGNMENT, VESTING AND DISTRIBUTION ORDERS AND GRANTING RELATED RELIEF**

FTI Consulting Canada Inc. (“Foreign Representative” or the “Monitor”) is the court-appointed monitor and duly authorized foreign representative for PT Holdco, Inc., PTUS, Inc. Primus Telecommunications, Inc., Lingo, Inc., and Primus Telecommunications Canada Inc. (“Primus Canada” and, collectively, the “Debtors”) in Canadian insolvency proceedings with Court File No. CV-16-11257-00CL (the “Canadian Proceeding”) pending in Canada before the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”).<sup>2</sup> Pursuant to the Assignment Order (the “Assignment Order”) (attached hereto as **Exhibit C**), expected to be entered by the Court in the Canadian Proceeding (the “Canadian Court”) on February 23, 2016, and in accordance with the Approval and Vesting Order (the “Vesting Order”) (attached hereto

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<sup>1</sup> The last four digits of the Employer Identification Number or Canadian Business Number, as appropriate, for each debtor follow in parentheses: PT Holdco, Inc. (3731), PTUS, Inc. (0542), Primus Telecommunications, Inc. (4563), Lingo, Inc. (7778), and Primus Telecommunications Canada, Inc. (5618).

<sup>2</sup> The Monitor was appointed as monitor of the Debtors pursuant to provisions of Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (the “CCAA”), the statute under which the Debtors have been granted relief from creditors. An initial order (“Initial Order”) (attached hereto as **Exhibit B**) was entered on January 19, 2016 in the Ontario Superior Court of Justice by the Honourable Mr. Justice Penny, Court File No. CV-16-11257-00CL, In the Matter of a Plan of Compromise or Arrangement of PT Holdco, Inc., Primus Telecommunications Canada Inc., PTUS, Inc. Primus Telecommunications, Inc., and Lingo, Inc.

as **Exhibit D**) and the Stay Extension and Distribution Order (the “Distribution Order”) (attached hereto as **Exhibit E**) (and, the Distribution Order, collectively with the Initial Order, the Assignment Order and the Vesting Order, the “Canadian Orders”), also set to be entered by the Canadian Court February 23, 2016, the Foreign Representative, by undersigned counsel, hereby moves this Court for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Sale Recognition Order”), pursuant to sections 1520, 105(a), 363(b), (f), (m) and (n), 365, 1501 and 1521 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Court for the District of Delaware (the “Local Rules”) recognizing, giving full force and effect to and enforcing the Canadian Orders, pursuant to which the Canadian Court has authorized, *inter alia*, the sale and transfer (the “Sale”) by the Debtors of all their right, title and interest in and to substantially all of the business of the Debtors (collectively, the “Purchased Assets”) to Birch Communications, Inc. (the “Purchaser”), pursuant to the Asset Purchase Agreement (“APA”) by and between the Debtors and the Purchaser, dated January 19, 2016 (a copy of which is attached hereto as **Exhibit F**), free and clear of all claims, liabilities, encumbrances, except as set forth in the APA and granting certain related relief.

#### **JURISDICTION AND VENUE**

1. This Court has jurisdiction over these bankruptcy cases and the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2).
2. Venue is proper under 28 U.S.C. §§ 1410(1) and (3).



3. The statutory bases for the relief requested herein are sections 105, 363, 365, 1501, 1517, 1519, 1520, and 1521 of Bankruptcy Code. Relief is also warranted pursuant to Bankruptcy Rules 2002, 6004 and 9014 and Local Rule 6004-1.

### **BACKGROUND**

4. On January 19, 2016 (the "Petition Date"), the Debtors made an application under the CCAA commencing the Canadian Proceeding. On the Petition Date, the Canadian Court entered the Initial Order, *inter alia*, (i) appointing the Monitor; (ii) authorizing the Monitor to act as foreign representative in these chapter 15 proceedings; (iii) authorizing the Debtors to pursue all efforts and avenues in restructuring; (iv) prohibiting counterparties to contracts with the Debtors from terminating any and all such contracts; and (v) granting a stay of proceedings against the Debtors.

5. On the Petition Date, the Foreign Representative, on behalf of each of the Debtors, filed their respective voluntary petitions under chapter 15 of the Bankruptcy Code (the "Chapter 15 Cases") and a Verified Petition for Recognition of Foreign Main Proceeding and Related Relief (the "Verified Petition") pursuant to section 1515 of the Bankruptcy Code seeking (i) entry of an Order recognizing the Canadian Proceeding as a foreign main proceeding pursuant to section 1517 of the Bankruptcy Code and (ii) relief under sections 1520 and 1521 of the Bankruptcy Code. A hearing was scheduled for and occurred on January 21, 2016 (the "First Day Hearing"). At that time, the Court, *inter alia*, entered an Order: (i) scheduling a hearing on the Verified Petition for February 19, 2016; and (ii) proscribing the Notice to be used in this proceeding going forward (the "Notice Order") [D.I.12].

6. The detailed factual background relating to the Debtors, the Foreign Representative, and the commencement of these chapter 15 cases is set forth in the Verified

Petition and the Meakin Declaration, filed on January 19, 2016 [D.I. 3 and 6, respectively]. The Foreign Representative hereby adopts and incorporates all of the factual assertions in the Verified Petition and the Meakin Declaration as if set forth fully herein.

**A. The Prepetition Solicitation Process**

7. As set forth more fully in the Meakin Declaration and the exhibits thereto, the Affidavit of Michael Nowlan sworn on February 2, 2016 filed in support of the Motion Re: Approval of the Sale Transaction and Assignment of Agreements, *et al.* (the “Canadian Sale Motion”) (the “February 2<sup>nd</sup> Nowlan Affidavit”) (attached hereto as **Exhibit G**); and the February 2, 2016 Affidavit of Jim Osler filed in support of the Canadian Sale Motion (the “Osler Affidavit”) (attached hereto as **Exhibit H**), prior to the commencement of the Canadian Proceeding and the chapter 15 proceedings, the Debtors employed a sales and investment solicitation process to identify potential purchasers and/or investors (the “SISP”) a copy of which can be found at Exhibit C to the February 2<sup>nd</sup> Nowlan Affidavit.

8. The details of the events and circumstances leading up to the execution of the APA are set forth at length in the Verified Petition and documents filed in support thereof. Briefly, Primus Canada is indebted to the Bank of Montreal, HSBC Canada and ATB Corporation Financial Services (collectively, the “Syndicate”) in the amount of \$40,700,000 pursuant to a Credit Agreement dated July 31, 2013, such credit agreement as amended by the amending agreement dated September 23, 2014 (the “Credit Agreement”). The indebtedness of Primus Canada to the Syndicate is guaranteed by the other Debtors and secured by first ranking security over all other assets.

9. Primus Canada is also indebted to The Manufacturers Life Insurance Company (“Manulife”) and BMO Capital Partners (collectively, the “Subordinate Lenders”) in the

principal amount of \$20,000,000 pursuant to a subordinate credit agreement dated July 31, 2013 (such credit agreement, as amended, the “Subordinate Credit Agreement”). The indebtedness of the Subordinate Lenders is guaranteed by the other Debtors.

10. To secure the obligations to the Subordinate Lenders, the Debtors have granted a security interest to Manulife as collateral agent of the Subordinate Lenders over all their assets pursuant to, *inter alia*, a general security agreement. This security is subordinate to the security granted the Syndicate.

11. As of late 2014, the Debtors have been unable to maintain the requisite EBITDA ratios specified under the Credit Agreement (the “Credit Agreement Defaults”), and were therefore in default under the Credit Agreement. Consequently, Primus Canada entered into a forbearance agreement with the Syndicate on February 4, 2015 (the “Syndicate Forbearance Agreement”).

12. Primus Telecommunications Canada, Inc. also defaulted under the Subordinate Credit Agreement (the “Subordinate Credit Agreement Defaults”). Consequently, Primus Telecommunications Canada, Inc. entered into a forbearance agreement with the Subordinate Lenders on February 4, 2015 (the “Subdebt Forbearance Agreement”).

13. On August 31, 2015, following extensive and careful arms-length negotiation commencing in July 2015, Primus Canada entered into a support agreement with the Syndicate lenders (the “Support Agreement”) further to which the Syndicate agreed to support the SISP on a going concern basis. Further to the timeline and conditions set out in the Support Agreement (and as set forth in greater detail in the materials filed in support of the Motion), the Debtors commenced the SISP in September 2015.

14. The Debtors elected to pursue a SISP outside of CCAA proceedings out of concern that, *inter alia*, a prolonged period under CCAA protection necessary to implement a post-CCAA filing sales process would have a serious and detrimental impact on the Debtors' business and its customers which could diminish the value of the business as whole. The bargain reflected in the Support Agreement was a product of meticulous balancing of interests of the Debtors' various stakeholders, the result of which was to allow the Debtors to implement their proposed restructuring strategy (i.e. the SISP) as a going concern while preserving the position of the Syndicate Lenders and the Debtors' other stakeholders if the SISP did not, ultimately, result in any restructuring transaction(s).

15. Following a competitive selection process, Origin Merchant Partners ("Origin") was engaged by Primus Telecommunications Canada, Inc. to act as a financial advisor pursuant to an engagement letter dated August 7, 2015 (the "Engagement Letter") and commenced solicitation of potentially interested parties.

16. As a result of the efforts of the Debtors and Origin, six interested parties emerged and submitted Phase I Bids (defined in the SISP). Parties were subsequently invited to Phase II (as defined in the SISP). At the conclusion of Phase II, there were five parties which submitted final proposals, with an additional offer from a sixth party provided shortly thereafter.

17. A period of extensive and intensive arm's length negotiations followed the receipt of such offers, each of which were evaluated in accordance with the criteria enumerated in the SISP. Ultimately, the bid by the Purchaser was determined to be the Successful Bid.

18. As set forth in greater detail in the February 2<sup>nd</sup> Nowlan Affidavit and the Osler Affidavit, during the solicitation process, Comwave Networks, Inc. ("Comwave") submitted a bid with respect to substantially all of the Debtors' assets. Contemporaneous with the evaluation

of the Comwave bid, the Debtors evaluated bids from five other entities. Ultimately, Comwave issued an ultimatum that was not satisfactory to the Debtors' boards in the exercise of their business judgment and Comwave's deposit was returned. Negotiations continued with the Purchaser and culminated in the execution of the APA between the Debtors and the Purchaser on January 19, 2016.

19. As set forth in greater detail in the February 2<sup>nd</sup> Nowlan Affidavit, despite initially declining the Debtors' invitation to submit a proposal to refinance the Debtors' indebtedness to the Syndicate, Manulife subsequently expressed an interest in supporting the Debtors' refinancing in lieu of a Sale without providing any concrete refinancing alternative or firm financing commitment. Counsel for the Agent (on behalf of the Syndicate) responded to this overture and offered to sell the indebtedness to Manulife at a discount. Manulife did not respond to that offer. The Debtors continued to reach out to Manulife to advise that, due to ongoing negotiations with the various bidders, any proposed refinancing must be supported by committed financing letters as soon as possible. In ensuing correspondence, Manulife advised that it would not support a sale. After the Initial Order was entered in the CCAA proceeding, Manulife advised that it did not support the Sale and that it had concerns regarding the SISF. To date, Manulife has failed to provide any firm financing commitment or any evidence that reopening the sales process at this time would generate a better return for stakeholders.

20. An essential precondition to the contemplated APA between the Debtors and the Purchaser was the expeditious application to this Court for the Order sought in the Verified Petition. Pursuant to Section 8.3 of the APA:

[a]t or before Closing Time, the Vendors shall execute and deliver...to the Purchaser...(c) a copy of the U.S. Recognition Order [that] has been issued and entered, is final and shall not have been stayed or varied in a manner prejudicial to the Purchaser, or

vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal...

21. In advance of filing for CCAA protection, and in order to comply with the provisions of the Support Agreement detailed above, the parties entered into two preliminary agreements:

- a. First, on December 18, 2015, the Debtors entered into an Escrow Agreement with the Purchaser and FTI Consulting Canada Inc. (as escrow agent), whereby \$2,000,000 would be deposited into an escrow account in contemplation of entering into the aforementioned APA to be released as part of the closing thereof; and
- b. Second, on December 22, 2015, the Debtors entered into an exclusivity letter agreement with the Purchaser whereby the Debtors agreed to terminate any existing discussions with any third party, and not to solicit, encourage or otherwise commence or continue discussions with, or provide any information to, any third party, regarding the sale to any such third party of all or any of the Purchased Assets or any investment or other participation by any such third party in any of the business, enterprise, securities, assets or properties of any of the Debtors. The exclusivity letter agreement was a condition precedent to the Purchaser pursuing the sale transaction contemplated in the APA.

22. After extensive deliberations and consultations with their professional advisors, the Debtors concluded, further to and on the basis of their commercial and business judgement, that the transaction contemplated in the APA represented the best offer available to them in the circumstances and that proceeding with such transaction was in the best interest of stakeholders.

#### **B. The Sale Transaction**

23. The Debtors and the Purchaser executed and delivered the APA dated January 19, 2016, subject to Court approval.

24. The essential terms of the definitive version of the APA and the Sale Transaction contemplated therein are as follows:

- a. The Purchaser will acquire substantially all of the business, assets and operations of the Debtors, including principally all of their patents, patent applications, trademarks and domains ("Purchased Assets" and "Purchased

Intellectual Property” respectively, and as set out in Schedule “A” and “H” to the APA) but excluding any shares and other securities owned by any Primus Entity (“Excluded Assets”, set out in Schedule “D” to the APA) on an “as is, where as” basis as existing at “Closing Time” (as defined in the APA and subject to representation and warranties therein);

b. The aggregate purchase price (“Purchase Price”) payable to the Primus Entities is calculated on the basis of the Purchase Price formula set out further to sections 3.1 and 3.7 of the APA, consisting of the following:

i. The “Base Purchase Price” of \$44 million (as the term is defined in the APA and as adjusted in accordance with the formula set out therein);

ii. Less certain Cure Costs (as defined in the APA); and

iii. Less certain other amounts payable that do not constitute Cure Costs in respect of “Essential Contracts” (as defined in the APA).

c. The Purchaser may, in its sole discretion, offer employment to any or all active and inactive Primus Entity employees (collectively “Transferred Employees”) conditional on “Closing” (as each is defined in the APA);

d. The Purchaser will assume, perform, discharge and pay the obligations of the Primus Entities (“Assumed Obligations”) set out in section 2.5 of the APA, including, but not limited to, the following:

i. all debts, liabilities and obligations under an “Assumed Contract” assigned or transferred to the Purchaser on Closing for the period from and after Closing Time, provided that such debts, obligations or liabilities do not arise from or are due or attributable to:

1. any default existing or breach by any Debtor occurring prior to or as a consequence of Closing, or

2. any default, breach or violation of any Debtors of any term or condition of the APA;

ii. all debts, liabilities and obligations for which the Purchaser is responsible in respect of Transferred Employees as per the APA.

25. The Purchaser may terminate the APA, in its sole and absolute discretion, if the Canadian Court orders a post-filing sales process or it may elect not to terminate the APA and have it serve as a the stalking horse offer in such post-filing sales process with customary

stalking horse protections, in accordance with the terms of the exclusivity letter arrangement (which are to include, without limitation, a 3% break-free to be paid from the proceeds of any overbid in favor of the Purchaser), subject to court approval. As of the date hereof, the Purchaser's position is that it does not consent to a post-filing sales process and should a post-filing process be ordered, there is no assurance that the Purchaser would participate in such process or allow its bid to stand as stalking horse.

26. The APA specifies the assets of the Debtors which will be acquired by the Purchaser. With the exception of the Excluded Assets as set forth in Section 1.1 of and Schedule D to the APA and along with the Excluded Contracts as set forth in Schedule E to the APA, the entirety of the Debtors' assets is being sold to the Purchaser.

27. The shares of each of the Debtors, including all of the shares of Primus Telecommunications, Inc., Lingo, Inc. and Primus Telecommunications Canada, Inc. and other Excluded Assets as set forth in Schedule D to the APA and the interests of the Debtors in a limited number of Excluded Contracts identified in Schedule E to APA are not being sold. The only excluded contracts which impact assets located within the territory of the United States involve leases of office space in Florida and Iowa.

28. The Debtors do not intend to take any further action with respect to the Excluded Contracts.

29. The Canadian Court is expected to authorize the Monitor to make an immediate distribution from the cash purchase price paid by the Purchaser as a payment (i) on account of the indebtedness currently outstanding to the Syndicate (as defined in the Distribution Order), (ii) of amounts owing to Origin under their engagement letter, and (iii) of Professional Expenses and Post-Filing Expenses (as each term is defined in the Distribution Order). *See* Distribution Order



at ¶4. If the Sale is approved and closes, the Monitor shall distribute cash up to the maximum amount of the Syndicate's secured obligations but in each case subject to the maintenance of a holdback in the amount satisfactory to the Monitor or as may be ordered by the Canadian Court.

30. The APA contemplates that the transfer of the Regulated Customer Relationships (as defined in the APA) in the United States will take place after Closing and upon the necessary Federal Communications Commission or State Public Utility Commission consents have been obtained. During that interim period (up to a maximum of six (6) months), the Debtors and the Purchaser will entered into a Management Agreement whereby the Purchaser will manage the Regulated Customer Relationships. Following Close, within ten (10) business days of the last day of each month, the Purchaser will provide the Monitor with a written statement confirming the consents that were received in the previous month for the Regulated Customer Relationships. Upon receipt of that written statement, the Monitor will release from the Customer Relationship Escrow (as defined in the APA) the amount attributable to the Regulated Customer Relationships transferred the previous month. After six (6) months, to the extent any monies remain in the Regulated Customer Escrow, they are to be returned to the Purchaser. *See* APA at sections 2.4 and 3.2 and Schedule K and Vesting Order at ¶¶ 4-6.

**C. Local Rule 6004-1 Disclosures**

31. In accordance with Local Rule 6004-1, set forth below are certain provisions in the APA and/or the Sale Recognition Order that such rule requires the Foreign Representative to highlight in this Motion.

<u>Highlighted Provision</u>	<u>Description</u>	<u>Location in Sale Recognition Order and/or APA</u>
Sale to Insider	The Purchaser is not an insider as defined by Bankruptcy Code section 101(31).	

Management Agreements	The Purchaser intends to hire substantially of the existing employees of the Debtors.	APA at Article 4.
Releases	The Sale will be free and clear of all interests other than the Permitted Encumbrances.  The Purchaser will not be liable to any of the Debtors or any predecessor or successor to any of the Debtors arising out of the Sale and/or APA except as set forth in the Canadian Orders.	Sale Recognition Order at ¶7.  Vesting Order at ¶4.
Private Sale/No Competitive Bidding	The Sale is a private sale. The APA is not subject to a higher and better offer. <sup>3</sup>  Through this Motion, the Foreign Representative seeks approval, enforcement and recognition of the Sale set to be approved by the Canadian Court on February 23, 2016.	Sale Recognition Order at ¶2.
Closing and Other Deadlines		Sale Recognition Order at ¶¶6-12.
Good Faith Deposit	\$2,000,000 was deposited by Purchaser.	
Interim Agreements with the Purchaser	Interim Management Agreement and Escrow Agreement	Schedule J to APA.
Use of Proceeds	At Closing, the Monitor shall distribute (i) cash up the maximum amount of the Syndicate's secured obligations but in each case subject to the maintenance of a holdback in the amount satisfactory to the or further order of the Canadian Court;	Distribution Order at ¶4.

<sup>3</sup> As set forth above and in the Meakin Declaration and February 2<sup>nd</sup> Nowlan Affidavit (and the exhibits thereto), the Sale is the result of a thorough solicitation and sale process conducted by Origin that has extended over many months. As set forth in the Canadian Proceeding, the Monitor believes that this process, resulting in the APA with the Purchaser, was fair and reasonable.

	(ii) amounts owing to Origin under their engagement letter; (iii) Professional Expenses and Post-Filing Expenses (as each term is defined in the Distribution Order) and (iv) costs to administer the CCAA and chapter 15 proceedings.	
Tax Exemption	None. The Purchaser has not agreed to assume any liabilities that might arise as a consequence of any cancellation of indebtedness income and, to the extent that any such liabilities arise, the Debtors will have no funds available to pay such tax obligations.	APA at section 3.6
Record Retention	The Debtors will be selling substantially all of their assets. The APA does contemplate post-Closing work for the transfer of Regulated Customer Relationships in the United States for up to six (6) months.	APA at section 2.4 and Schedule J.
Sale of Avoidance Actions	N/A.	
Requested Findings as to Successor Liability	To the extent permissible under the Canadian Orders, the Purchaser or its affiliates, members or shareholders shall not be deemed, as a result of any action taken in connection with the Sale or the Purchaser's post-closing use or operation of the Purchased Assets to: (a) be a successor to the Debtors; (b) have, de facto or otherwise, merged or consolidated with or into the Debtors; (c) be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors, based on any theory, including based on any	Sale Recognition Order at ¶8.

	theory of antitrust, environmental, labor law, alter ego, veil piercing, continuity of enterprise, mere continuation, produce line, de facto merger or substantial continuity.	
Sale Free and Clear of Unexpired Leases	N/A	
Credit Bid	N/A	
Relief from Bankruptcy Rule 6004(h)	Yes	Sale Recognition Order at ¶21.

### RELIEF REQUESTED

32. By this Motion, the Foreign Representative respectfully requests that this Court enter the Sale Recognition Order, substantially in the form annexed hereto as **Exhibit A** pursuant to sections 105(a), 1501, 1520 and 1521 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004 and 9014 and Local Rule 6004-1 and section 363 (b), (f), (m) and (n) of the Bankruptcy Code as made applicable by section 1520(a)(2) of the Bankruptcy Code: recognizing, giving full force and effect to and enforcing the Initial Order, the Assignment Order, the Distribution Order and the Vesting Order and granting certain related relief.

33. The Foreign Representative believes that the Sale of the Purchased Assets in accordance with the terms and conditions of the APA, the Canadian Orders and the Sale Recognition Order is fair and reasonable under the circumstances. Pursuant to sections 7.1 and 8.3 of the APA, entering of the Sale Recognition Order, substantially in the form annexed hereto, is a condition precedent to the consummation of the Sale. This Court's recognition and enforcement of the Canadian Orders will permit the Debtors to sell the Purchased Assets without disruption and in a timely and efficient manner. Absent the relief requested herein, the Debtors,

their creditors and their employees will potentially suffer significant, if not irreparable, harm due to an inability to close the Sale.

### **BASIS FOR RELIEF REQUESTED**

#### **A. The Court Should Recognize and Enforce the Canadian Orders**

34. Pursuant to section 1520(a) of the Bankruptcy Code, upon the Court's recognition of the Canadian Proceeding as a foreign main proceeding:

(2) section[] 363...appl[ies] to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the section[] would apply to property of an estate; (3) unless the court orders otherwise, the foreign representative may exercise the rights and powers of a trustee under and to the extent provided by section[] 363...

35. Further, recognition and enforcement of the Assignment Order, Distribution Order and Vesting Order will provide relief that is consistent with that provided by section 363 of the Bankruptcy Code, made operable by this Court's recognition of the Canadian Proceeding as a foreign main proceeding under section 1520(a) of the Bankruptcy Code.<sup>4</sup>

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<sup>4</sup> Section 363(b)(1) provides, in relevant part, that a debtor "after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363 (b)(1). Section 363 of the Bankruptcy Code does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor's assets prior to confirmation of a plan. However, courts in this Circuit and in other districts have required that the decision to sell assets outside the ordinary course of business be based upon the sale proponent's sound business judgment. See *Dai-Ichi Kangyo Bank, Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D.D.C. 1991); see also *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143 (3d Cir. 1986); and *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996). The "sound business judgment" test requires a proponent of a sale to establish four elements in order to justify the sale of property outside the ordinary course of business. These factors are (a) that a "sound business purpose" justifies the sale of assets outside the ordinary course of business; (b) that adequate and reasonable notice has been provided to interested person; (c) that the trustee or debtor in possession has obtained a fair and reasonable price; and (d) that the purchaser has acted in good faith. See *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143; *In re Exaeris Inc.*, 380 B.R. 741, 744 (Bankr. D. Del. 2008); *Titusville Country Club v. Pennbank (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr.

36. In addition, granting the requested relief is in the public interest as described as a substantial part of the purpose of chapter 15 of the Bankruptcy Code. *See* 11 U.S.C. § 1501(a).

37. Courts in this District have granted relief similar to the relief request in this Motion. *See, e.g. In re Thane International, Inc.*, Case No. 15-12186 (KG) (Bankr. D. Del. Dec. 1, 2015) (recognizing and enforcing sale order entered by Canadian court and separately authorizing and approving sale free and clear of any and all liens, claims, encumbrances and other interests under section 363 of the Bankruptcy Code); *Xchange Technology Group LLC*, Case No. 13-12809 (KG) (Bankr. D. Del. Nov. 25, 2013) (recognizing and enforcing sale order entered by Canadian court and separately authorizing and approving sale free and clear of any and all liens, claims, encumbrances and other interests under section 363 of the Bankruptcy Code and approving the assignment of assumed contracts); *Arctic Glacier International Inc.*, Case No. 12-10605 (KG) (Bankr. D. Del. July 17, 2012) (same); *In re Earthview IP Holdings LLC*, Case No. 10-13363 (CSS) (Bankr. D. Del. Feb. 18, 2011) (recognizing and enforcing sale order entered by Canadian court and separately authorizing and approving the sale free and clear of any and all liens, claims, encumbrances and other interests under section 363 of the Bankruptcy

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W.D. Pa. 1991); and *In re Sovereign Estates, Ltd.*, 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989). In this case, ample business justification exists to sell the Purchased Assets to the Purchaser. The Sale satisfies all four conditions set forth in *Abbotts Dairies*. First, sound business purposes justify the Sale. The Sale presents the best opportunity for the Debtors to maximize the value of their assets. Approval of the Sale will permit the Debtors' business to continue and its suppliers, employees and customers to have the benefit of continuing contracts, jobs and services. Moreover, the consideration received by the Debtors in connection with the Sale represents fair value for the relevant assets to be transferred. Second, in light of the Sale process that the Debtors have undertaken to date, adequate and reasonable notice of the proposed Sale has been provided to interested persons. Moreover, all known creditors. Third, the Purchase Price represents a fair and reasonable price for the Purchased Assets. To be sure, the Purchase Price, which is in excess of \$44 million, far exceeds the highest amount previously offered by a potential purchaser during the Pre-CCAA filing marketing process. Fourth, the negotiation process undertaken with respect to the APA satisfies the good faith requirement. Indeed, the APA is the product of good faith and arm's length negotiations among the parties.

Code); *In re Grant Forest Products*, Case No. 10-11132 (PJW) (Bankr. D. Del. Apr. 26, 2010) (same); *In re Destinator Technologies, Inc.*, Case No. 08-11003 (CSS) (Bankr. D. Del. July 8, 2008) (same).

38. This Court's recognition and enforcement of the Canadian Orders is not only warranted, but is critical to achieving the anticipated results of the Sale, as it will permit the Debtors to sell the Purchased Assets without disruption and provide further certainty to the Sale and to the Purchaser. As noted above, entry of the Sale Recognition Order, recognizing and enforcing the Vesting Order, is a condition precedent to the consummation of the Sale. Absent the relief requested herein, the Debtors may suffer substantial, if not irreparable, harm from the inability to sell the Purchased Assets without interference and in a manner that will allow the Debtors to maximize recoveries for all creditors and stakeholders.

39. For all of the foregoing reasons, the Foreign Representative respectfully submits that there is more than ample justification for this Court to enter the Sale Recognition Order, thereby recognizing and enforcing the Canadian Orders, consistent with section 1520(a) of the Bankruptcy Code.

**B. The Court Should Recognize the Sale Free and Clear of Interests and Successor Liability**

40. The Foreign Representative also respectfully requests recognition and enforcement of the Canadian Orders, through section 363 as made applicable by section 1520(a)(2) of the Bankruptcy Code, this Court recognize and enforce the Sale free and clear of interests (as defined in the Sale Recognition Order). Upon recognition of the Canadian Proceeding as a foreign main proceeding, such recognition and enforcement of Canadian Orders is appropriate and consistent under section 1520(a) of the Bankruptcy Code, which operates to

apply section 363 of the Bankruptcy Code.<sup>5</sup> A sale of the Purchased Assets other than one free and clear of all interests, other than Permitted Encumbrances provided (and as defined) in the APA, could yield substantially less value for the Debtors and their creditors than the Sale and is consistent with section 363 of the Bankruptcy Code, made operable by section 1520(a) of the Bankruptcy Code. Therefore, a sale free and clear of all Interests is in the best interests of the Debtors, their creditors and other parties in interest and is consistent with the Bankruptcy Code.

41. Additionally, the recognition and enforcement of the Canadian Orders would also be consistent with section 363(f) of the Bankruptcy Code with respect to any creditors that may assert an Interest in the Purchased Assets: the Foreign Representative submits that at least one of the subsections of 363(f) of the Bankruptcy Code applies to such creditors and, in most cases, more than one of such subsections is satisfied. Notably, the Syndicate has consented to the Sale. Accordingly, the Foreign Representative submits that the sale of the Purchased Assets free and clear of all Interests, other than as provided in the APA, satisfies the statutory prerequisites of

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<sup>5</sup> Under section 363(f) of the Bankruptcy Code, a trustee or debtor in possession may sell all or any part of a debtor's property free and clear of any and all liens, claims, encumbrances and other interests in such property if (i) such a sale is permitted under applicable non-bankruptcy law; (ii) the party asserting such a lien, claim or interest consents to such a sale; (iii) the interest is a lien and the purchase price for the property is greater than the aggregate amount of all liens on the property; (iv) the interest is the subject of a bona fide dispute; or (v) the party asserting the lien, claim or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest. See 11 U.S.C. § 363(f); *In re P.K.R. Convalescent Ctrs., Inc.*, 189 B.R. 90, 93-94 (Bankr. E.D. Va. 1995) (“[Section] 363 covers more situations than just sales involving liens...Section 363(f) addresses sales free and clear of any interest...”); *Citicorp Homeowners Serv., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (noting that section 363(f) of the Bankruptcy Code is written in the disjunctive; therefore, a court may approve a sale “free and clear” provided at least one of the subsections is met). In addition, a court may authorize the sale of a debtor's assets free and clear of any liens, claims or encumbrances under section 105 of the Bankruptcy Code. See *Volvo White Truck Corp. v. Chambersburg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987) (“Authority to conduct such sales [free and clear of liens] is within the court's equitable powers when necessary to carry out the provisions of Title 11.”).



section 363(f) of the Bankruptcy Code and, therefore, recognition and enforcement of the Canadian Orders is consistent with the Bankruptcy Code.

42. In recognizing and enforcing the Canadian Orders, the Foreign Representative is respectfully seeking that this Court recognize and enforce the Sale of the Purchased Assets to the Purchaser free and clear of claims based upon successor liability. In this way, the Purchaser will obtain increased certainty concerning the Excluded Liabilities as to the Purchased Assets in the United States. The Foreign Representative submits that the relief requested herein is an appropriate exercise of this Court's authority under chapter 15 of the Bankruptcy Code.<sup>6</sup>

**C. This Court Should Recognize the Canadian Court's Authorization to Assign the Essential Contracts to the Purchaser**

43. The APA requires, as a condition precedent to the Sale, the assignment of the Essential Contracts (as defined in the APA), which will be assigned through the Assignment Order. *See* APA at Schedule B. Moreover, through the Vesting Order, the Canadian Court will approve the APA. *See* Vesting Order at ¶12. Specifically, the Vesting Order, *inter alia*, authorizes the Debtors to enter into the APA and provides that the Debtors are to fulfill the conditions of the APA and further provides, once the Sale closes, that the Monitor is to hold the monies as prescribed by the Canadian Court. *Id.* at ¶¶ 5-8. Finally, the Initial Order expressly prohibits parties to contracts from failing to perform or otherwise attempting to terminate such

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<sup>6</sup> It is well established that a bankruptcy court has the power under section 363(f), made operable by section 1520(a) of the Bankruptcy Code upon this Court's recognition of the Canadian Proceeding as a foreign main proceeding, to approve the sale of a debtor's assets free and clear of successor liability claims against the debtor. *In re TWA Airlines, Inc.*, 322 F.3d 282, 288-290 (3d Cir. 2003) (holding that successor liability claims are "interests in property" within the meaning of section 363(f) of the Bankruptcy Code); *United Mine Workers of Am. Benefit Plan v. Leckie Smokeless Coal Co. (In re Leckie Smokeless Coal Co.)*, 99 F.3d 573 (4<sup>th</sup> Cir. 1996) (same).

contracts without leave of the Canadian Court. *See* Initial Order at ¶17 and Assignment Order at ¶7.

44. As set forth in further detail *supra*, it is an appropriate exercise of business judgment for the Debtors to agree to assign the Essential Contracts as required under the APA and the CCAA specifically provides for the assignment of contracts through an Order of the Canadian Court. Additionally, the Foreign Representative submits that the notice and protections for counterparties set forth in the Canadian Orders and implemented in the Canadian Proceeding are adequate to protect the rights of counterparties to the contracts from and after the date of assignment and are consistent with the relief typically afforded to debtors and purchasers under sections 363 and 365 of the Bankruptcy Code. Moreover, the Purchaser has indicated that it is able and has agreed to assume and perform the obligations of the Debtors under the Essential Contracts in accordance with their terms. As such, the Foreign Representative respectfully submits that recognition and enforcement in the United States of the Canadian Orders, specifically with regard to the assignment of the Essential Contracts to the Purchaser, does not present any public policy conflict or any issue concern protection of the interests of the parties to the Essential Contracts that would prevent this Court from entering the Sale Recognition Order.

**D. The Court Should Afford the Purchaser All Protections Consistent With Sections 363(m) and (n) of the Bankruptcy Code as a Good Faith Purchaser**

45. In addition to the relief requested above, in recognizing and enforcing the Canadian Order, the Foreign Representative requests that this Court provide the Purchaser with the protections consistent with those set forth in sections 363(m) and (n) of the Bankruptcy Code. The Vesting Order expected to be entered by the Canadian court provides: “[T]he actions of the Primus Entities and their advisors, including Origin [ ] and FTI Consulting Canada Inc., in developing and implementing the SISP and entering into the Sale Agreement and any ancillary

agreements are approved *nunc pro tunc*...and the activities of the proposed monitor and the Monitor described [in the Pre-filing Report of FTI Consulting Canada Inc., in its capacity as proposed monitor, and the First Report of the Monitor] are hereby approved. See Vesting Order at ¶¶16-17.<sup>7</sup>

i. Objecting Parties

45. As set forth in greater detail *supra* and in the February 2<sup>nd</sup> Nowlan Affidavit and the Osler Affidavit, Comwave, an unsuccessful bidder and Manulife, the agent for the Subordinate Lenders, had previously indicated that they may object to the Sale in the Canadian proceedings. Following the Petition Date and notwithstanding the stay of proceedings, Comwave commenced an action against the Debtors, Origin, FTI Consulting Canada Inc. and FTI Consulting Canada ULC on the basis of allegations in connection with the SISF. Since that time and based on discussions with counsel to Comwave and Manulife, the Foreign Representative believes that neither Comwave nor Manulife will be objecting to the Sale in the Canadian Proceeding and that Comwave will be discontinuing its action. In any event, the Sale Recognition Order sought herein will only be sought if the Canadian Orders have been issued

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<sup>7</sup> Specifically, section 363(m) of the Bankruptcy Code provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m). While the Bankruptcy Code does not define “good faith,” courts have stated that “the phrase encompasses one who purchases in ‘good faith’ and for ‘value.’” *In re Abbots Dairies of Pa.*, 788 F.2d at 147. Courts have held that in order to demonstrate a lack of good faith, a party would have to show “fraud or collusion between the purchaser and [seller] or an attempt to take grossly unfair advantage [of other potential purchasers].” *Id.*

and entered. If the Canadian Orders have been issued and entered, objections thereto, would have been denied by the Canadian Court.

46. As described in the Meakin Declaration, the APA was negotiated without fraud or collusion, in good faith and from an arm's length bargaining position. The Foreign Representative has no reason to believe that any of the Debtors have entered into the APA for the purpose of hindering, delaying or defrauding present or future creditors of the Debtors under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof or the District of Columbia. Accordingly, the Foreign Representative seeks recognition and enforcement of the Canadian Orders, consistent with a finding that the Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and has not violated section 363(n) of the Bankruptcy Code.

#### **WAIVER OF RULE 6004(h)**

47. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale or lease of property...is stayed until the expiration of fourteen (14) days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). The Foreign Representative requests that the Sale Recognition Order, once entered, be effective immediately by providing that, to the extent applicable, the fourteen (14) day stay under Bankruptcy Rule 6004(h) is waived.

48. The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h). Although Bankruptcy Rule 6004(h) and the Advisory Committee Notes are silent as to when a court should "order otherwise" and eliminate or reduce the fourteen (14) day stay period, commentators have suggested that the fourteen (14) day stay period should be eliminated to allow a sale or other transaction to close immediately "where there have been no

objection to the procedure.” 10 COLLIER ON BANKRUPTCY, ¶6004.11 (L. King, 16<sup>th</sup> rev. ed. 2011) and the Canadian Court is set to approve the Sale on February 23, 2015. There is no deadline for objections in the CCAA Proceedings. However, as set forth above, the Foreign Representative does not anticipate objections to the Canadian Orders.

49. Time is of the essence with respect to the Sale Recognition Order.

50. Accordingly, the Foreign Representative hereby respectfully requests that the Court waive the fourteen (14) day stay period under Bankruptcy Rule 6004(h).

### NOTICE

51. Pursuant to the Notice Order, the Foreign Representative served the following core parties (collectively, the “Core Notice Parties”) with all pleadings in these cases via Canada Post first-class mail, United States first-class mail, facsimile, e-mail, overnight courier or personal delivery: (i) counsel to the Agent of the Syndicate Lenders (as defined in the Verified Petition); (ii) counsel to the Subordinate Lenders (as defined in the Verified Petition); (iii) counsel to the Purchaser (as defined in the Verified Petition); (iv) Internal Revenue Service; (v) counsel to the Debtors in the Canadian Proceedings; (vi) the Debtors; (vii) the Office of the United States Trustee for the District of Delaware; (viii) the Federal Communications Commission; (ix) the Office of the United States Attorney for the District of Delaware; (x) the Delaware Secretary of State; (xi) the Delaware State Treasury; and (xii) any party that files a notice of appearance in these chapter 15 Cases. Pursuant to the Notice Order, the Foreign Representative further served the following notice parties (collectively the “Notice Parties”) by Canada Post first-class mail, United States first-class mail, facsimile, e-mail, overnight courier or personal delivery: (i) all entities against whom provisional relief is being sought under section 1519 and (ii) all known U.S. creditors of the Debtors with claims in excess of \$1,000 other than

employees. Finally, pursuant to the Notice Order, Notice was permitted via publishing all documents filed in this proceeding on the Monitor's website: <http://cfcanada.fticonsulting.com/primus/default.htm>. The Notice served as described herein stated, in part: "[t]he Recognition Hearing will address the [Verified Petition] and other matters related to the CCAA proceedings, including possible recognition of any motions made to approve the **proposed sale of substantially all of the Debtors' assets**. The Debtors will file any related motions on or before January 30, 2016." See Notice of Filing and Hearing on Verified Petition of a Foreign Main Proceeding and Related Relief attached hereto as **Exhibit I** (emphasis added). The Foreign Representative was unable to meet the January 30<sup>th</sup> date by which to file the Sale Recognition Motion due to the previously described adjournments and scheduling issues with the Canadian Court. Additionally, all of the CCAA materials were posted on the Monitor's website on January 19, 2016 and the United States-based creditors were pointed to the website for information regarding the Canadian Proceeding. Finally, all of the pleadings filed in these chapter 15 cases have been and will continue to be posted on the Monitor's website.

52. Similarly, this Motion (including all exhibits hereto) will be served substantially contemporaneously with the filing of this Motion on: (i) the Core Notice Parties; (ii) any party with a security interest in the Debtors' assets located within the territory of the United States impacted by the Sale which interest is evidenced by a filing of such security interest with the appropriate agency for filing under the Uniform Commercial Code in the United States; (iii) all counterparties to contracts to be assigned under the Assignment Order; and (iv) all counterparties to contracts involving assets located within the territory of the United States which contracts are excluded contracts and are not to be assumed by the Purchaser. Pursuant to the Notice sent out on January 23, 2016, all known creditors with claims in excess of \$1,000 have received notice of

the possibility of a Sale Recognition Motion and therefore, the Foreign Representative respectfully submits, they do not require additional notice and no further notice is appropriate.

53. For all the reasons set forth in the Notice Motion, the Foreign Representative submits that no other or further notice is needed.

**NO PRIOR REQUEST**

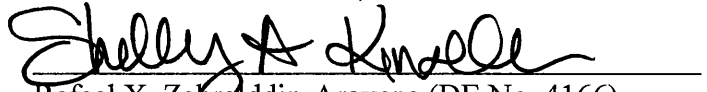
54. No prior request for the relief sought in this Motion has been made to this or any other court.

**CONCLUSION**

WHEREFORE, the Foreign Representative respectfully requests that the Court enter the Sale Recognition Order, substantially in the form annexed hereto as Exhibit A, granting (i) recognition and enforcement of the Canadian Orders; and (ii) such other and further relief as the Court may deem proper.

Dated: February 11, 2016  
Wilmington, Delaware

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# **EXHIBIT A**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: ) Chapter 15  
 )  
PT HOLDCO, INC., *et al.*,<sup>1</sup> ) Case No. 16-10131 (LSS)  
 ) (Jointly Administered)  
Debtors in a Foreign Proceeding. )  
 ) **RE: D.I. \_\_\_\_\_**

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**ORDER PURSUANT TO SECTIONS 363, 365, 1501, 1517, 1519,  
1520, 1521 AND 105(a) OF THE BANKRUPTCY CODE AND  
BANKRUPTCY RULES 2002, 6004 AND 9014, FOR ENTRY OF AN  
ORDER RECOGNIZING AND ENFORCING THE ASSIGNMENT, APPROVAL  
AND VESTING AND DISTRIBUTION ORDERS AND GRANTING RELATED RELIEF**

Upon consideration of the Motion (the “Sale Recognition Motion”)<sup>2</sup> of the Foreign Representative for PT Holdco, Inc., PTUS, Inc. Primus Telecommunications, Inc., Lingo, Inc., and Primus Telecommunications Canada Inc. (collectively, the “Debtors”) in Canadian insolvency proceedings with Court File No. CV-16-11257-00CL (the “Canadian Proceeding”) pending in Canada before the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”)<sup>3</sup> for entry of an order, pursuant to sections 105(a), 363(b), (f), (m) and (n), 1501, 1519, 1520 and 1521 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 9014 and Local Rule 6004-1, giving full force and effect to and enforcing the Assignment Order (the “Assignment Order”), the Approval and Vesting Order (the “Vesting Order”) and the Stay

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<sup>1</sup> The last four digits of the Employer Identification Number or Canadian Business Number, as appropriate, for each debtor follow in parentheses: PT Holdco, Inc. (3731), PTUS, Inc. (0542), Primus Telecommunications, Inc. (4563), Lingo, Inc. (7778), and Primus Telecommunications Canada, Inc. (5618).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Sale Recognition Motion.

<sup>3</sup> The Monitor was appointed as monitor of the Debtors pursuant to provisions of Canada’s Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (the “CCAA”), the statute under which the Debtors have been granted relief from creditors. An initial order (“Initial Order”) was entered on January 19, 2016 in the Ontario Superior Court of Justice by the Honourable Mr. Justice Penny, Court File No. CV-16-11257-00CL, In the Matter of a Plan of Compromise or Arrangement of PT Holdco, Inc., Primus Telecommunications Canada Inc., PTUS, Inc. Primus Telecommunications, Inc., and Lingo, Inc..

Extension and Distribution Order (the “Distribution Order” and collectively, the “Canadian Orders”), each entered by the Canadian Court in the Canadian Proceeding on \_\_\_\_\_, 2016 pursuant to which the Canadian Court has, *inter alia*, authorized the transaction contemplated in the APA, being the sale and transfer (the “Sale”) by the Debtors of their right, title and interest in and to substantially all of the business of the Debtors (collectively, the “Purchased Assets”) to Birch Communications, Inc. (the “Purchaser”), pursuant to the Asset Purchase Agreement (“APA”) by and between the Debtors and the Purchaser, dated January 19, 2016, free and clear of all claims, liabilities, encumbrances, except as set forth in the APA and granting certain related relief; and upon declaration of Nigel Meakin (the “Meakin Declaration”) [D.I. 6], the February 2<sup>nd</sup> Nowlan Affidavit and the Osler Affidavit and subject to the orders of this Court limiting notice in these Chapter 15 Cases, all parties in interest having been heard, or having had the opportunity to be heard, regarding the recognition and enforcement of the Canadian Orders; and the Canadian Court have entered the Canadian Orders; and this Court having reviewed and considered the Sale Recognition Motion, the arguments of counsel made, and the evidence adduced at a hearing before this court (the “Sale Recognition Hearing”); and upon the record of the Sale Recognition Hearing and these Chapter 15 Cases, and after due deliberation thereon, and good cause appearing therefore and in accordance with Bankruptcy Rule 7052, it is hereby:

**FOUND AND DETERMINED THAT:<sup>4</sup>**

A. The Canadian Court has duly entered the Canadian Orders, *inter alia*,: (i) approving and authorizing the Debtors' execution of the APA and consummation of the sale of the Purchased

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<sup>4</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Rule 52 of the Federal Rules of Civil Procedure (the “Federal Rules”), made applicable by Rule 7052 of the Bankruptcy Rules and Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be so deemed and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

Assets and the assignment of the Essential Contracts (as defined in the APA) free and clear of all interests; and (ii) requesting aid and recognition from this Court to give effect to the Canadian Orders.

B. This Court has jurisdiction and authority to hear and determine the Sale Recognition Motion pursuant to 28 U.S.C. §§ 1334 and 157(b).

C. Venue of these Chapter 15 Cases and the Motion in this Court and this District is proper under 28 U.S.C. § 1410.

D. Based on the affidavits of service filed with, and representations made to, this Court: (i) notice of the Sale Recognition Motion and the Sale Recognition Hearing were proper, timely, adequate, appropriate and sufficient under the circumstances of these Chapter 15 Cases and complied with the various applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules (or such compliance is hereby waived); and (ii) no other or further notice of the Sale Recognition Motion or the Sale Recognition Hearing or the entry of this Order is necessary, appropriate or shall be required.

E. Under the circumstances of the Chapter 15 Cases, the Foreign Representative provided a reasonable opportunity to object and be heard with respect to the Sale Recognition Motion and the relief requested therein to the necessary parties in interest, including the following (and subject to any orders of this Court otherwise limiting notice in these Chapter 15 Cases): (i) the Core Notice Parties; (ii) any party with a security interest in the Debtors' assets located within the territory of the United States impacted by the Sale which interest is evidenced by a filing of such security interest with the appropriate agency for filing under the Uniform Commercial Code in the United States; (iii) all counterparties to contracts to be assigned under the Assignment Order; and (iv) all counterparties to contracts involving assets located with the territory of the

United States, which contracts are excluded contracts and are not to be assumed by the Purchaser. Additionally, all Core Notice Parties and Notice Parties have been on notice since January 23, 2016 of the possibility that the Foreign Representative would file a motion related to sale recognition that would be heard by this Court on February 19, 2016 at 10:00 a.m. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

F. The relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policy of the United States, is warranted pursuant to sections 105(a), 365, 1501, 1517, 1519, 1520, 1521 and 363 (b), (f), (m) and (n) (as made applicable by section 1520(a)(2)) of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

G. The APA requires the assignment of the Essential Contracts. Such assignment by order of the Canadian Court will only be effective provided cure costs are paid. As such, enforcement in the United States of the assignment of the Essential Contracts to the Purchaser does not present any public policy conflict or any issue concerning protection of the interests of the parties to the Essential Contracts that would prevent this Court from entering this Order.

H. Based on information contained in the Meakin Declaration (including the exhibits thereto) the February 2<sup>nd</sup> Nowlan Affidavit and the Osler Affidavit, the Debtors, through Origin, conducted a sales and investment solicitation process (the “SISP”). The Canadian Court approved the APA resulting from the SISP and the Sale.

I. The Monitor provided a report to the Canadian Court indicating that in its view, the SISP was fair and reasonable, and the APA and the Sale would be more beneficial to the creditors than a sale or disposition under a bankruptcy. The Purchaser has indicated that it is able and has agreed to assume and perform the obligations of the Debtors under the Essential Contracts in

accordance with their terms, and it is appropriate that the Purchased Assets, including the Essential Contracts, be transferred, assigned, and vested in the Purchaser.

J. Based upon the findings of the Canadian Court, this Court finds that the consideration provided by the Purchaser is fair and reasonable.

K. Based upon the findings of the Canadian Court, this Court finds that the Purchase Price constitutes fair consideration and reasonably equivalent value for the Purchased Assets and therefore, in recognizing and enforcing the Canadian Orders, this Court recognizes the Purchase Price as constituting fair consideration and reasonably equivalent value for the Purchased Assets under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, and the laws of the United States, any state, territory, possession thereof, or the District of Columbia.

L. Based upon the findings of the Canadian Court, this Court finds that no bulk sales or any similar law of any state or other jurisdiction shall apply in any way to the Sale and, in recognizing and enforcing the Canadian Orders herein.

M. Time is of the essence in consummating the Sale. To maximize the value of the Purchased Assets, it is essential that the Sale occur promptly. Accordingly, there is cause to waive the stay that would otherwise be applicable under Bankruptcy Rule 6004.

N. In recognition and enforcement of the Canadian Orders, this Court recognizes the Canadian Court's *nunc pro tunc* approval of the SISF and therefore recognizes that the negotiations over the terms of the APA were conducted fairly, in good faith, and without collusion.

O. Based upon the findings of the Canadian Court and the record made before this Court, the Purchaser has acted in good faith within the meaning of section 363(m) of the Bankruptcy Code as made applicable by section 1520(a)(2) of the Bankruptcy Code.

P. Based upon the findings of the Canadian Court and the record made before this Court, none of the Foreign Representative, the Purchaser, nor the Debtors engaged in any conduct that would cause or permit the APA or the recognition and enforcement of the Sale as authorized by the Canadian Court to be avoided, or costs or damages to be imposed, under section 363(n) of the Bankruptcy Code as made applicable by section 1520(a)(2) of the Bankruptcy Code.

Q. Based upon the findings of the Canadian Court and the record made before this Court, the APA was not entered into for the purpose of hindering, delaying, or defrauding present or future creditors of the Debtors under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia.

R. Consistent with the Canadian's Court's authorization of the Sale and the Canadian Orders, as recognized and enforced herein, the Debtors may sell the Purchased Assets free and clear of all interests, to the extent provided in the APA, the Canadian Orders and this Order, because, with respect to each creditor asserting an interest, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code, as made applicable by section 1520(a)(2) of the Bankruptcy Code, has been satisfied. Those holders of interests who did not object or who withdrew their objections to the Sale Recognition Motion are deemed to have consented to the Sale Recognition Motion pursuant to section 363(f)(2) of the Bankruptcy Code as made applicable by section 1520(a)(2) of the Bankruptcy Code.

S. The Purchaser would not have entered into the APA and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their creditors, and other

parties in interest if either: (i) the sale of the Purchased Assets to the Purchaser was not free and clear of all interests, except as otherwise provided in the APA; or (ii) the Purchaser would, or in the future could, be liable for any of such interests or any claims against the Debtors based upon successor or vicarious liability or otherwise, except as provided in APA.

**IT IS FURTHER HEREBY ORDERED, ADJUDGED, and DECREED that:**

1. The Motion is GRANTED, as set forth herein.
2. The Canadian Orders, copies of which are attached hereto as Exhibit 1 through 4, are recognized in full and given full force and effect in the United States.
3. All objections to the entry of this Order that have not been withdrawn, waived, settled, or otherwise resolved pursuant to the terms hereof, are denied and overruled on the merits.
4. Pursuant to the recognition and enforcement of the Canadian Orders herein and consistent with sections 105, 363, 365, 1501, 1520 and 1521 of the Bankruptcy Code, to the extent permitted by the Canadian Orders, each of the Debtors, the Purchaser, and the Foreign Representative is authorized to take any and all actions necessary or appropriate to: (a) consummate the Sale of the Purchased Assets to the Purchaser in accordance with the APA, the Canadian Orders and this Order; and (b) perform, consummate, implement, and close fully the APA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA and the Sale as authorized by the Canadian Court through the Canadian Orders and recognized and enforced herein.

**TRANSFER OF THE PURCHASED ASSETS**

5. Pursuant to the recognition and enforcement of the Canadian Orders herein and consistent with sections 105(a), 1520, 1521 and 363(f), as made applicable by section

1520(a)(2), of the Bankruptcy Code, and as provided for in the Canadian Orders, upon delivery of the Monitor's Certificate to the Purchaser in accordance with the Canadian Orders, the Purchased Assets shall absolutely vest, without further instrument of transfer or assignment, in the Purchaser and shall be a legal, valid, and effective transfer of the Purchased Assets free and clear of each of the following (collectively, the "Interests"): any and all security interests (whether contractual, statutory, or otherwise), mortgages, pledges, options, warrants, trusts or deemed trusts (whether contractual, statutory, or otherwise), encumbrances, obligations, liabilities, demands, guarantees, restrictions, contractual commitments, rights, including without limitation, rights of first refusal and rights of set-off, liens, executions, levies, penalties, charges, or other financial or monetary claims, adverse claims, or rights of use, puts or forced sales provisions exercisable as a consequence of or arising from the closing of the Sale, whether arising prior to or subsequent to the commencement of the Canadian Proceeding and these Chapter 15 Cases, whether or not they have attached or been perfected, registered, or filed and whether secured, unsecured, legal, equitable, possessory or otherwise, actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, complaint, suit, investigation, dispute, petition or proceeding by or before any governmental authority or person at law or in equity whether imposed by agreement, understanding, law, equity, or otherwise, and any claim or demand resulting therefrom including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by the Canadian Orders and/or any subsequent charges created by the Canadian Court; (b) all charges, security interests, or claims evidenced by any personal property registry system in the United States; and (c) excluded liabilities as set forth in section 2.2 of the APA. Notwithstanding the previous sentence, nothing contained herein shall limit the obligations of the Purchaser to assume the Assumed Obligations



(as defined in the APA), and to perform its obligations under the Assumed Contracts.

6. Except as expressly provided in the APA, the Canadian Orders, and/or this Order, and consistent with the relief granted by the Canadian Orders and with sections 105(a), 1520, 1521 and 363(f), as made applicable by section 1520(a)(2), of the Bankruptcy Code, upon delivery of the Monitor's Certificate, closing shall be deemed to have occurred (the "Time of Closing"): (a) the Purchased Assets shall be sold, transferred, or otherwise conveyed to the Purchaser free and clear of all Interests; (b) no holder of an Interest against the Debtors shall interfere with the Purchaser's title to or use and enjoyment of the Purchased Assets based on or related to such Interests; and (c) the APA, the Sale, and any instruments contemplated thereby shall be enforceable against and binding upon, and not subject to rejection or avoidance by, the Debtors or any successor thereof. All persons or entities holding Interests in, to or against the Purchased Assets are forever barred from asserting such Interests against the Purchaser, its affiliates, successors and assigns, and current affiliates, officers, directors, employees, managers, partners, members, financial advisors, attorneys, agents, and representatives (collectively, the "Purchaser Releasees") or such Purchased Assets after the Time of Closing.

7. Except as otherwise provided in the APA, any and all Purchased Assets in the possession or control of any person or entity, including, without limitation, any vendor, supplier, or employee of the Debtors shall be transferred to the Purchaser free and clear of all Interests, and, upon reasonable request of the Purchaser, all such persons or entities are directed to surrender possession of the Purchased Assets to the Purchaser at the Time of Closing.

8. To the extent set out under the Canadian Orders and permissible by applicable statutes, none of the Purchaser, or its affiliates, members, and shareholders shall be deemed, as a result of any action taken in connection with the Sale or the Purchaser's post-closing use or

operation of the Purchased Assets, to: (a) have, de facto or otherwise, merged or consolidated with or into the Debtors; or (b) be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors. Except for the Assumed Obligations, the transfer of the Purchased Assets to the Purchaser under the APA, the Canadian Orders, and this Order shall not result in the Purchaser Releasees having any liability or responsibility whatsoever: (y) for any Interest against the Debtors or against an insider of the Debtors; or (z) to the Debtors, except as is expressly set forth in the APA, the Canadian Orders, this Order, and/or any other order of the Canadian Court. Without limiting the generality of the foregoing, except as otherwise provided in the APA, the Canadian Orders, this Order, or any other order of the Canadian Court, the conveyance of the Debtors' rights, title, and interest in the Purchased Assets to the Purchaser under the APA shall not result in any Purchaser Releasee having any liability or responsibility whatsoever for any: (a) Interest, whether at law or in equity, whether by payment, setoff, or otherwise, directly or indirectly; (b) obligation under any of the Debtors' labor or employment agreements; (c) of the Debtors' mortgages, deeds of trust, and security interests; (d) intercompany loans and receivables between the Debtors and any non-debtor subsidiary or affiliate; (e) of the Debtors' pension, welfare, compensation or other employee benefit plans, agreements, practices and programs; (f) of the Debtors' other employee, worker's compensation, occupational disease, unemployment, or temporary disability related claims, including without limitation, claims that might arise under or pursuant to (i) the Employee Retirement Income Security Act of 1974, as amended, (ii) the Fair Labor Standards Act, (iii) Title VII of the Civil Rights Act of 1964, (iv) the Federal Rehabilitation Act of 1973, (v) the National Labor Relations Act, (vi) the Worker Adjustment and Retraining Act of 1988, (vii) the Age Discrimination and Employee Act of 1976 and Age Discrimination in Employment Act, as amended, (viii) the

Americans with Disabilities Act of 1990, (ix) the Consolidated Omnibus Budget Reconciliation Act of 1985, (x) state discrimination laws, (xi) state unemployment compensation laws or any other similar state laws, (xii) any other state or federal benefits or claims relating to any employment with the Debtors or any of their predecessors; or (g) successor or vicarious liabilities of any kind or character, including, but not limited to, federal, state, or other tax liabilities, U.S. or foreign pension liabilities, or liabilities based on any theory of antitrust, environmental, labor law, alter ego, veil piercing, continuity of enterprise, mere continuation, product line, de facto merger or substantial continuity, whether known or unknown, whether legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether arising prior to or subsequent to the commencement of these Chapter 15 Cases, whether imposed by agreement, understanding, law, equity, or otherwise with respect to any of the Debtors or any obligations of the Debtors, including, but not limited to, in the case of liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' business prior to the Time of Closing or any taxes in connection with, or in any way relating to the cancellation of debt of the Debtors or their affiliates.

9. Pursuant to the Canadian Orders and this Court's recognition and enforcement thereof herein, the entry of this Order: (a) is and shall be effective as a determination that, upon the Time of Closing, except as expressly provided in the APA, the Canadian Orders, and/or this Order, all Interests existing as to the Purchased Assets prior to the Time of Closing, have been released, extinguished, expunged, and discharged as against the Purchased Assets; and (b) shall be binding upon and shall govern the acts of all entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of

deeds, recorders of fees, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities, who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments that reflect that the Purchaser is the assignee of the Purchased Assets free and clear of all Interests, except as expressly provided in the APA, the Canadian Orders and/or this Order.

10. Consistent with the Canadian Orders and this Order, each and every federal, state, and local governmental agency or department is authorized to accept any and all documents and instruments necessary and appropriate to consummate the Sale.

11. Except with respect to enforcing the terms of the Canadian Orders or this Order, absent a stay pending appeal, no person shall take any action to prevent or enjoin or otherwise interfere with consummation of the Sale.

12. Effective as of the Time of Closing, the Canadian Orders and this Order shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Debtors' interests in the Purchased Assets.

#### **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

13. Consistent with the Canadian Orders recognized and enforced by this Court herein, as provided in the APA and the Canadian Orders, at the Time of Closing, the Assumed Contracts shall be transferred to, and remain in full force and effect for the benefit of, the Purchaser in accordance with their respective terms. The transfer and assignment of the Essential Contracts shall be valid notwithstanding any restriction, condition, or prohibition contained in any such Essential Contract relating to the assignment thereof (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer or requires the consent of any party to such assignment

or transfer.

14. As provided in paragraph 4 of the Vesting Order, the assignment of the rights and obligations of the Debtors under the Essential Contracts to the Purchaser, pursuant to section 2.3 of the APA, is valid and binding upon all of the counterparties to the Essential Contracts, without further documentation, as if the Purchaser was party to the Essential Contracts, notwithstanding any restriction or prohibition contained in any such Essential Contract relating to the assignment thereof, including any provision requiring the consent of any party to an Essential Contract.

16. Each counterparty to the Essential Contracts is prohibited from exercising any right or remedy under the Essential Contracts by reason of any non-monetary defaults thereunder arising from the commencement or pendency of the Canadian Proceeding or these Chapter 15 Cases or the solvency or financial condition of the Debtors.

17. This Court shall retain jurisdiction in the United States to enforce any and all terms and provisions of the APA, the Canadian Orders and/or this Order with respect to any such Essential Contract.

#### **ADDITIONAL PROVISIONS**

18. Based upon the findings of the Canadian Court, this Court finds that the Purchaser, is a purchaser in good faith within the meaning of section 363(m) of the Bankruptcy Code, made applicable by section 1520(a)(2) of the Bankruptcy Code, shall be entitled to all of the protections of section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the recognition and enforcement provided herein of the Sale authorized by the Canadian Court through the Canadian Orders and recognized and enforced herein shall not affect the validity of the Sale unless, prior to the Time of Closing, such authorization is duly stayed pending appeal.

19. The terms and provisions of this Order shall be binding on and inure to the benefit of the Foreign Representative, the Purchaser, the Debtors' creditors, and all other parties in interest, and any successors of the Debtors, the Purchaser, and the Debtors' creditors, including any trustee(s), examiner(s), or receiver(s) appointed in these cases or under any chapter of the Bankruptcy Code or any other law, and all such terms and provisions shall likewise be binding on such trustee(s), examiner(s), or receiver(s) and shall not be subject to rejection or avoidance by the Debtors, their creditors, or any trustee(s), examiner(s), or receiver(s). The terms and provisions of the APA shall be binding on and inure to the benefit of the Purchaser, the Debtors' creditors, and all other parties in interest, and any successors of the Debtors, the Purchaser and the Debtors' creditors, including any trustee(s), examiner(s), or receiver(s) appointed in these cases or under any chapter of the Bankruptcy Code or any other law, and all such terms and provisions shall likewise be binding on such trustee(s), examiner(s), or receiver(s) and shall not be subject to rejection or avoidance by the Debtors, their creditors, or any trustee(s), examiner(s), or receiver(s).

20. The failure to include any particular provision of the Canadian Orders or the APA, or any related agreements, in this Order shall not diminish or impair the effectiveness of that provision, it being the intent of this Court that the Canadian Orders, the APA and any related agreements, with such amendments thereto as may be made by the parties in accordance with the Canadian Orders, be recognized, given effect and enforced in their entirety.

21. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) the terms of this Order shall be immediately effective and enforceable upon its entry; (b) the Debtors, the Purchaser, and the Foreign Representative are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order; and (c) the

Debtors, the Purchaser, and the Foreign Representative may, in their discretion and without further delay, take any action and perform any act authorized under the Canadian Orders and/or this Order.

22. To the extent permitted by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Purchased Assets sold, transferred, or conveyed to the Purchaser on account of the filing or pendency of these Chapter 15 Cases or the recognition and enforcement of the Sale authorized by the Canadian Court through the Canadian Orders herein.

23. Nothing in this Order shall be deemed to waive, release, extinguish, or estop the Debtors or the Foreign Representative from asserting, or otherwise impair or diminish, any right (including, without limitation, any right of recoupment), claim, cause of action, defense, offset or counterclaim in respect of any asset that is not a Purchased Asset.

24. The provisions of this Order are non-severable and mutually dependent.

25. Other than as explicitly set forth herein, this Court shall retain jurisdiction with respect to any and all matters, claims, rights, or disputes arising from or related to the implementation or interpretation of this Order.

Dated: February \_\_, 2016  
Wilmington, Delaware

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HONORABLE LAURIE SELBER SILVERSTEIN  
UNITED STATES BANKRUPTCY JUDGE

# **EXHIBIT 1**



THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

Case 16-1091305-1-ESS Doc 23-2 Filed 02/11/16 Page 2 of 18  
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CV-16-11257-00CL

Court File No.

DATE AT TORONTO THIS  
FAIT A TORONTO LE

19th DAY OF January 2016

  
REGISTRAR

C. Irwin  
Registrar GREFFIER

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. )

TUESDAY, THE 19th

JUSTICE PENNY )

DAY OF JANUARY, 2016



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

INITIAL ORDER

THIS APPLICATION, made by PT Holdco, Inc. ("Holdco"), Primus Telecommunications Canada Inc. ("Primus Canada"), PTUS, Inc. ("PTUS"), Primus Telecommunications, Inc. ("PTI") and Lingo, Inc. ("Lingo", and together with PTUS, PTI, Holdco and Primus Canada, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn January 18, 2016 and the Exhibits thereto (the "Nowlan Affidavit"), the Pre-Filing Report of FTI Consulting Canada Inc., as proposed monitor, (the "Pre-Filing Report") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the proposed Monitor, no one appearing for any other party although duly served as appears from the affidavit of service filed, and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

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DATED AT TORONTO THIS 16th DAY OF January 20 16  
 FAIT À TORONTO LE 16 JOUR DE JANVIER 2016

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Registrar's Notice of Application on the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

**APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

**PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

**POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Nowlan Affidavit or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management



System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, any amounts relating to the provision of employee medical, dental and similar benefit plans or arrangements), vacation pay and expenses, and similar amounts owed to independent contractors, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) all outstanding and future insurance premiums (including property and casualty, group insurance policy, director and officers liability insurance, or other necessary insurance policy);
- (c) all outstanding or future amounts owing in respect of customer rebates, refunds, discounts or other amounts on account of similar customer programs or obligations other than any refunds arising as a result of termination or cancellation of customer agreement or services; and
- (d) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course of business and in compliance with the provisions of this Order, which expenses shall include,

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DATED AT TORONTO THIS 11 DAY OF January 20 16  
 FAIT À TORONTO LE \_\_\_\_\_ JOUR DE \_\_\_\_\_

REGISTRAR \_\_\_\_\_ GREFFIER \_\_\_\_\_

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

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 DATED AT TORONTO THIS 20th DAY OF JANUARY 2016.  
 FAIT A TORONTO LE 20 JANVIER 2016

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise



may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

**RESTRUCTURING**

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are set out below, have the right to:

permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate.

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and

pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the

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DATED AT TORONTO THIS 11th DAY OF January 2016  
FAIT A TORONTO LE 11e JOUR DE Janvier 2016  
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THIS IS A TRUE COPY OF THE DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO. IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE DATED AT TORONTO THIS 13 DAY OF JANUARY 2016. LA PRÉSENT ATTESTE QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE À TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU. REGISTRAR

landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

**NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

14. **THIS COURT ORDERS** that until and including February 18, 2016, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, credit card services provided by Chase Paymentech Solutions, Inc. or other credit card processors, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants without having to provide any security deposit or any other security in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

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DATED AT TORONTO THIS 11 DAY OF JANUARY 2016  
 FAIT A TORONTO LE 11 JOUR DE JANVIER 2016



**NON-DEROGATION OF RIGHTS**

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

**PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

**DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$3.1 million, as security for the indemnity provided in paragraph 20 of this Order. The D&O Charge shall have the priority set out in paragraphs 32 and 34 herein.

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DATED AT TORONTO, THIS 11<sup>th</sup> DAY OF January 20 16  
FAIT À TORONTO LE 11<sup>th</sup> JOUR DE

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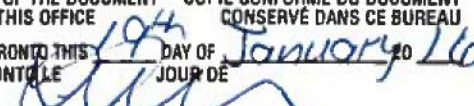
22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

#### APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of their powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) liaise with Assistants, to the extent required, with respect to all matters relating to the Property, the Business and such other matters as may be relevant to the proceedings herein;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;

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<p>DATED AT TORONTO THIS 19<sup>th</sup> DAY OF January 2016 FAIT À TORONTO LE 19<sup>th</sup> JOUR DE January 2016</p>	<p></p>

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

assist the Applicants, to the extent required by the Applicants, with their restructuring activities and/or any sale of the Property and the Business or any part thereof;

be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

hold and administer funds in accordance with arrangements among any of the Applicants, any Person and the Monitor, or by Order of this Court; and

(k) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario*

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DATED AT TORONTO THIS 11th DAY OF February 2016  
FAIT A TORONTO LE 11 JOUR DE february 2016  
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*Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, including for greater certainty in the Monitor's capacity as "foreign representative", save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amounts of \$1,000,000 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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<p>REGISTRAR</p>	<p>GREFFIER</p>

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE. DATED AT TORONTO THIS 17<sup>TH</sup> DAY OF JANUARY 2016. FAIT A TORONTO LE 17<sup>ME</sup> JOUR DE JANVIER 2016.

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30. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and their legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. THIS COURT ORDERS that the Monitor, Canadian and US counsel to the Monitor, and the Applicants' Canadian and US counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 herein.

**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

32. THIS COURT ORDERS that the priorities of the Administration Charge and the D&O Charge, as among them, shall be as follows:

- First - Administration Charge (to the maximum amount of \$1,000,000); and
- Second - D&O Charge (to the maximum amount of \$3,100,000).

33. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge and the D&O Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. THIS COURT ORDERS that each of the Administration Charge and the D&O Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person that has not been served with notice of this order.

35. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants



also obtain the prior written consent of the Monitor, and the beneficiaries of the Administration Charge or the D&O Charge, as applicable, or further Order of this Court.

36. **THIS COURT ORDERS** that the Administration Charge and the D&O Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

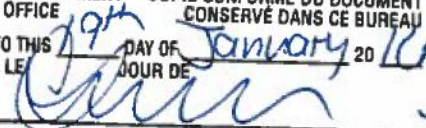
- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, , and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

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DATED AT TORONTO THIS 19<sup>th</sup> DAY OF January 20 16  
FAIT À TORONTO LE 19<sup>th</sup> JOUR DE Janvier 20 16

REGISTRAR  GREFFIER

## CHAPTER 15 PROCEEDINGS

38. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered, but not required, to act as the foreign representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada including, if deemed advisable by the Monitor, to apply for recognition of these proceedings in the United States pursuant to Chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101- 1532 and to take such other steps as may be authorized by the Court and any ancillary relief in respect thereto.

## SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner (provided that the list shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual), all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://cfcanada.fticonsulting.com/primus>'.

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DATED AT TORONTO THIS 19<sup>th</sup> DAY OF January 2016

REGISTRAR

CLERK

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, together with any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

42. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

43. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.


44. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

45. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a

representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

46. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

47. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

  
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DATED AT TORONTO THIS  
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January 20 16

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ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

JAN 19 2016





Court File No: CV-16-11257-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at Toronto

INITIAL ORDER

STIKEMAN ELLIOTT LLP  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9  
Maria Konyukhova LSUC#: 52880V  
Tel: (416) 869-5230  
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Email: kesaw@stikeman.com  
Vlad Calina LSUC#: 69072W  
Tel: (416) 869-5202  
Email: vcalina@stikeman.com  
Fax: (416) 947-0866

## **EXHIBIT 2**

Court File No. CV-16-11257-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) WEDNESDAY, THE 17<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF FEBRUARY, 2016  
 )

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT  
HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC.,  
PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

**Applicants**

**ASSIGNMENT ORDER**

**THIS MOTION**, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (collectively, the "**Vendors**") for an order assigning the rights and obligations of the Vendors under the Assigned Contracts (as defined below) as contemplated by an agreement of purchase and sale (the "**APA**") between, ~~inter alios~~, the Vendors and Birch Communications Inc. ("**Birch**", and Birch or its permitted assign pursuant to the APA, as applicable, being the "**Purchaser**") dated January 19, 2016, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Michael Nowlan sworn January ●, 2016 and the Exhibits attached thereto, the First Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Vendors (the "**Monitor**"), dated January ●, 2016, and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser and those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Vlad Calina sworn ●, 2016, filed:

- 2 -

1. **THIS COURT ORDERS** that any capitalized term used but not defined herein shall have the meaning ascribed to such term in the APA.

#### **SERVICE**

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **ASSIGNMENT OF AGREEMENTS**

3. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate (the "Monitor's Certificate") referred to in the Order of Justice [Penny] dated [February 17, 2016], (the "Approval and Vesting Order"), all of the rights and obligations of the Vendors under the agreements set out in Schedule "A" hereto (collectively, the "Assigned Contracts") shall be assigned to the Purchaser pursuant to section 2.3 of the APA and pursuant to section 11.3 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCAA").

4. **THIS COURT ORDERS** that, with respect to the Assigned Contracts that are real property leases (collectively the "Real Property Leases"), upon delivery of the Monitor's Certificate, the Purchaser shall be entitled and subject to all of the rights and obligations as tenant pursuant to the terms of the Real Property Leases and registrations thereof and may enter into and upon and hold and enjoy each premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Vendor, the landlords under the Real Property Leases or any person whomsoever claiming through or under any of the Vendor or the landlords under the Real Property Leases.

5. **THIS COURT ORDERS** that the assignment to the Purchaser of the rights and obligations of the Vendors under the Assigned Contracts to the Purchaser pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned

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- 3 -

Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

6. **THIS COURT ORDERS** that the Vendors' right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances (as such terms are defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.

7. **THIS COURT ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Vendors, the commencement of these CCAA proceedings or the chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101- 1532 proceedings, or any failure of the Vendors to perform a non-monetary obligation under the Assigned Contracts.

8. **THIS COURT ORDERS** that, following the closing of the transaction contemplated under the APA, all monetary defaults, other than those arising by reason of the Vendors' insolvency, the commencement of these CCAA proceedings, or the Vendors' failure to perform a non-monetary obligation, shall be cured and paid in accordance with the APA by no later than     , 2016.

**Comment [A1]:** Query whether we can have the monetary defaults set out in a schedule so that we can have certainty

**Comment [A2]:** S11.3(4) requires that there be a date set by the Court

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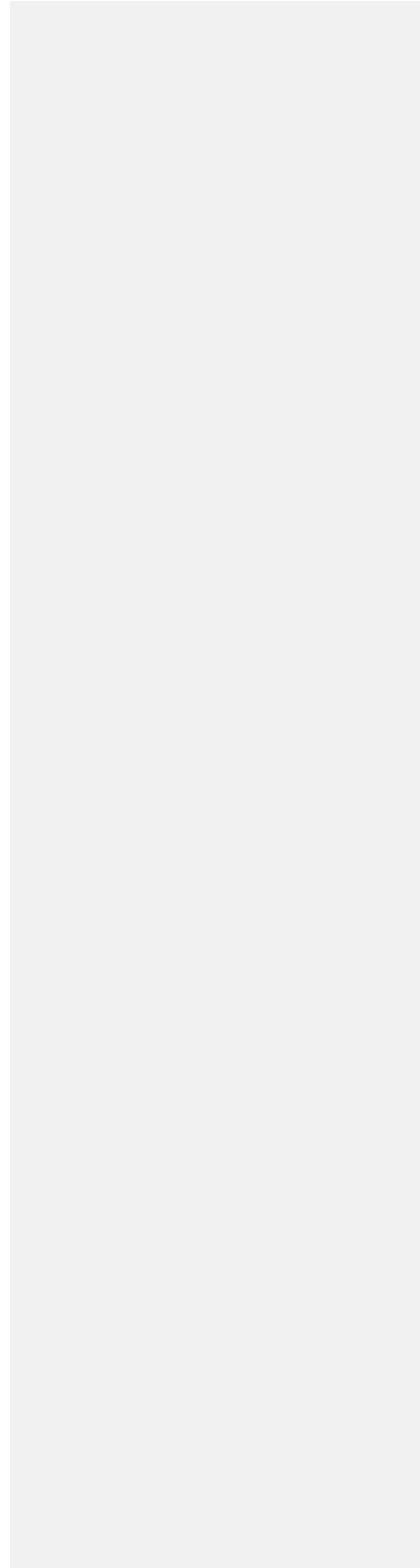
9. **THIS COURT DIRECTS** the Vendors to send a copy of this Order to all of the counterparties to the Assigned Agreements.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

- 4 -

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- 5 -

**Schedule A - Assigned Contracts**

**[Contracts]**

**[Real Property Leases]**

**[NTD: Separate contracts and leases for clarity.]**

22862929.2

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

Court File No: CV-16-11257-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

**ASSIGNMENT ORDER**



**STIKEMAN ELLIOTT LLP**

Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Maria Konyukhova** LSUC#: 52880V

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Email: mkonyukhova@stikeman.com

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Tel: (416) 869-6820

Email: kesaw@stikeman.com

**Vlad Calina** LSUC#: 69072W

Tel: (416) 869-5202

Email: vcalina@stikeman.com

Fax: (416) 947-0866

**Lawyers for the Applicants**

# **EXHIBIT 3**

Schedule I – Form of Approval and Vesting Order

Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE ) WEEKDAY, THE #  
JUSTICE ) DAY OF MONTH, 2016  
)

B E T W E E N:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PRIMUS TELECOMMUNICATIONS CANADA INC., PRIMUS  
TELECOMMUNICATIONS, INC AND LINGO, INC.

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the "Vendors") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (as may be amended, restated or modified from time to time in accordance with paragraph 2 hereof, the "Sale Agreement") between the Vendors and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and appended to the affidavit of [•] sworn [•], and vesting in the Purchaser the Vendors' right, title and interest in and to the assets described and defined in the Sale Agreement as the "Purchased Assets" (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [•] sworn [•] and the [First] Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "Monitor") of the Vendors and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser and those other parties

present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.
4. THIS COURT ORDERS AND DECLARES that, other than the transfer of the Regulated Customer Relationships which shall vest absolutely in the Purchaser free and clear of and from any and all Encumbrances (as defined below) when such Regulated Customer Relationships transfer to the Purchaser in accordance with the terms of the Sale Agreement, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Monitor's Certificate**"), all of the Vendors' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, taxes, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: [(i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]; and (ii)] all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are

collectively referred to as the “Encumbrances” and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS AND DIRECTS:

- (i) the Monitor, from and after the Closing Time, to hold the Regulated Customer Relationships Escrow, if applicable, in escrow, in a segregated bank account in the name of the Monitor (the “**Escrow Account**”);
- (ii) the Monitor to release the Regulated Escrow Funds, or any portion thereof, from the Escrow Account to an account to be designated by the Monitor (the “**Designated Account**”), at such times and in such amounts as are contemplated by the Sale Agreement and upon the release of such funds from the Escrow Account the Purchaser shall have no claim, interest or right in or to the portion of the Regulated Escrow Funds released by the Monitor from the Escrow Account to the Designated Account;
- (iii) the Monitor to as soon as reasonably practicable following the day which is 6 months from the Closing Date (the “**Escrow Outside Date**”), return to the Purchaser any amount of the Regulated Escrow Funds remaining in the Escrow Account on the Escrow Outside Date and upon the return of the Remaining Escrow Funds to the Purchaser the Vendors shall have no claim, interest or right in or to the Remaining Escrow Funds;

in each case, unless otherwise ordered by this Court, and in each case the Monitor shall incur no liability with respect to its administration of the Regulated Customer Relationships Escrow, the Escrow Account or the Designated Account.

6. THIS COURT ORDERS that Monitor is authorized to hold the Closing Cash Payment in the Designated Account and that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets, including the net proceeds from

the sale of the Regulated Customer Relationships when released from the Escrow Account shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor's Certificate.

9. THIS COURT ORDERS that upon the registration in the Canadian Intellectual Property Office of a copy of this Order, the applicable Registrar is hereby directed to transfer all of the Vendors' right, title and interest in and to the Purchased Intellectual Property to the Purchaser, free and clear of and from any and all Claims.

10. THIS COURT ORDERS that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.

11. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

12. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. THIS COURT ORDERS that the Sale Agreement and any ancillary documents related thereto shall not be repudiated, disclaimed or otherwise compromised in these proceedings.

14. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Vendors and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order.

**Schedule A – Form of Monitor’s Certificate**

Court File No. \_\_\_\_\_

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**B E T W E E N:**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PRIMUS TELECOMMUNICATIONS CANADA INC., PRIMUS  
TELECOMMUNICATIONS, INC AND LINGO, INC.**

Applicants

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the “**Court**”) dated [DATE OF ORDER], Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the “**Vendors**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 and FTI Consulting Canada Inc. was appointed as the Monitor (the “**Monitor**”) of the Vendors.

B. Pursuant to an Order of the Court dated [DATE] (the “**Approval and Vesting Order**”), the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (as may be amended, restated or modified from time to time, the “**Sale Agreement**”) between the Vendors and [NAME OF PURCHASER] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets (other than the Regulated Customer Relationships, which shall vest in the Purchaser in accordance with the terms of the Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Closing Cash Payment; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Vendors and



the Purchaser (as applicable); and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable;
2. The Monitor has received the Closing Cash Payment and the Regulated Customer Relationships Escrow, if applicable; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**FTI Consulting Canada Inc., in its capacity as  
Monitor of Primus Telecommunications Canada  
Inc., Primus Telecommunications, Inc. and  
Lingo, Inc., and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

# **EXHIBIT 4**

Court File No. CV-16-11257-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) WEDNESDAY, THE 17<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF FEBRUARY, 2016  
 )

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS,  
INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

Applicants

STAY EXTENSION AND DISTRIBUTION ORDER

THIS MOTION, made by PT Holdco, Inc. ("**Holdco**"), Primus Telecommunications Canada Inc. ("**Primus Canada**"), PTUS, Inc. ("**PTUS**"), Primus Telecommunications, Inc. ("**PTI**") and Lingo, Inc. ("**Lingo**", and together with PTUS, PTI, Holdco and Primus Canada, the "**Primus Entities**") for an order: (i) approving an extension of the stay of proceedings referred to in the Initial Order of the Honourable Justice Penny dated January 19, 2016, to [April 19, 2016]; and (ii) authorizing and directing FTI Consulting Canada Inc., in its capacity as Monitor of the Primus Entities (the "**Monitor**"), to make the Origin ~~Distribution~~ Disbursement (as the term is defined below); (iii) authorizing and directing the Monitor to make the Syndicate Distribution subject to maintaining the amount of the Holdback (as each term is defined below); (iv) authorizing the Monitor to disburse from the Holdback, from time to time ~~the~~ amounts owing by the Primus Entities with-in respect ~~of~~ to all legal and professional fees and expenses of the Monitor, the Monitor's legal counsel and other advisors and of the legal advisers-counsel and other advisors to the Primus Entities and the Monitor (collectively, the "**Professional Expenses**"); and (v) authorizing the Monitor to disburse from the Holdback, from time to time, on instruction from the Primus Entities, any amounts owing by the Primus Entities in respect of ~~post-filing expenses~~ obligations incurred by the

~~Primus Entities since the commencement of in the Primus Entities' operations, in these Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-3 proceedings, and the chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 proceedings~~ (collectively, the "Post Filing Expenses"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn January 1, 2016 and the Exhibits attached thereto, the First Report of the Monitor, dated January 1, 2016, and on hearing the submissions of counsel for the Monitor, the Applicants, the Agent (as defined below) those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Vlad Calina sworn 1, 2016, filed:

#### SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### EXTENSION OF STAY OF PROCEEDINGS PERIOD

2. THIS COURT ORDERS that the Stay Period referred to in the Initial Order of the Honourable Justice Penny dated January 19, 2016, is extended until [~~April-September~~ 19, 2016].

#### APPROVAL OF INTERIM AND FUTURE DISTRIBUTIONS

3. THIS COURT ORDERS that the Monitor is hereby authorized and directed to disburse the amounts owing to Origin Merchant Partners ("Origin") under the engagement letter dated August 7, 2015 (the "Origin Disbursement"), within ~~one~~ five (5) business days after the later of from (i) the day of filing the Monitor's Certificate referred to in the Approval and Vesting Order of the Honourable Justice Penny dated February [17], 2016 (the "Monitor's Certificate") and (ii) receipt of an invoice issued by Origin for the Origin Disbursement, Cdn. \$~~1~~ to Origin Merchant Partners ("Origin"), being the amount of fees

~~due and payable and by the Primus Entities to Oirgin under the engagement letter dated August 7, 2015 (the "Origin Distribution").~~

4. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to disburse, within [five] business days from the day of filing the Monitor's Certificate, Cdn. \$■ to Bank of Montreal as administrative agent (the "**Agent**") for Bank of Montreal, HSBC Bank Canada and ATB Corporate Financial Service (collectively, the "**Syndicate**"), and the Monitor is hereby authorized and directed to make further disbursements to the Agent from time to time for any further amounts that may be owing to the Syndicate by ~~[Primus Canada]~~the Primus Entities under the Credit Agreement dated July 31, 2013 (as amended by an amending agreement dated September 23, 2014) (the "**Syndicate Distribution**") up to a maximum amount of the Syndicate's secured obligations but in each case subject to the maintenance of a holdback in an amount satisfactory to the Monitor ~~for the to satisfy certain payments, of including~~ Professional Expenses and Post Filing Expenses and ~~to secure~~claims secured by the Administration Charge ~~and the or~~ D&O Charge (each as defined in the Initial Order dated January 19, 2016) (the "**Holdback**").

5. **THIS COURT ORDERS** that the Monitor, on behalf of the Primus Entities, is hereby authorized and empowered, without further Order of the Court, to disburse from the Holdback, from time to time, amounts owing by the Primus Entities in respect of Professional Expenses.

6. **THIS COURT ORDERS** that the Monitor, on behalf of the Primus Entities, is hereby authorized and empowered, without further Order of the Court, to disburse from the Holdback, from time to time, on instruction from the Primus Entities, any amounts owing by the Primus Entities in respect of Post Filing Expenses.

7. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") and any order issued pursuant to any such petition;

- (c) any application for a receivership order; or
- (d) any provisions of any federal or provincial legislation;

the holdbacks, payments, distributions and disbursements contemplated in this Order, are made free and clear of any Encumbrances (as defined in the Approval and Vesting Order) to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Primus Entities, Origin, the Syndicate or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT DCLARES** that no action lies against the Monitor, its affiliates, agents, employees, officers or directors, by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. ~~The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.~~

9. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

10. **THIS COURT DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

11. **THIS COURT REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.



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

Court File No: CV-16-11257-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**STAY EXTENSION AND  
DISTRIBUTION ORDER**



**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

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Email: vcalina@stikeman.com  
Fax: (416) 947-0866

**Lawyers for the Applicants**

# **EXHIBIT B**

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

Case 16-10913-ESS Doc 23-6 Filed 02/11/16 Page 2 of 18  
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CV-16-11257-00CL

Court File No.

DATE AT TORONTO THIS  
FAIT A TORONTO LE

19th DAY OF January 2016  
JOUR DE

*C. Irwin*  
REGISTRAR

Registrar GREFFIER

ONTARIO

SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. )

TUESDAY, THE 19th

JUSTICE PENNY )

DAY OF JANUARY, 2016



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

INITIAL ORDER

THIS APPLICATION, made by PT Holdco, Inc. ("Holdco"), Primus Telecommunications Canada Inc. ("Primus Canada"), PTUS, Inc. ("PTUS"), Primus Telecommunications, Inc. ("PTI") and Lingo, Inc. ("Lingo", and together with PTUS, PTI, Holdco and Primus Canada, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn January 18, 2016 and the Exhibits thereto (the "Nowlan Affidavit"), the Pre-Filing Report of FTI Consulting Canada Inc., as proposed monitor, (the "Pre-Filing Report") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the proposed Monitor, no one appearing for any other party although duly served as appears from the affidavit of service filed, and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

THIS IS TO CERTIFY THAT THIS DOCUMENT, DON'T CHACUNE  
 WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.

LA PRÉSENT ATTESTE QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE À TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU.

DATED AT TORONTO THIS 16th DAY OF January 20 16  
 FAIT À TORONTO LE 16th JOUR DE January 20 16

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Registrar's Notice of Application on the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

**APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

**PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

**POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Nowlan Affidavit or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management



System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, any amounts relating to the provision of employee medical, dental and similar benefit plans or arrangements), vacation pay and expenses, and similar amounts owed to independent contractors, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) all outstanding and future insurance premiums (including property and casualty, group insurance policy, director and officers liability insurance, or other necessary insurance policy);
- (c) all outstanding or future amounts owing in respect of customer rebates, refunds, discounts or other amounts on account of similar customer programs or obligations other than any refunds arising as a result of termination or cancellation of customer agreement or services; and
- (d) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course of business and in accordance with the provisions of this Order, which expenses shall include,

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LA PRÉSENT ATTESTE QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE À TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

DATED AT TORONTO THIS 11 DAY OF January 20 16  
 FAIT À TORONTO LE 11 JOUR DE January 20 16

REGISTRAR \_\_\_\_\_ GREFFIER \_\_\_\_\_

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.  
 DATED AT TORONTO THIS 20th DAY OF JANUARY 2016.  
 FAIT A TORONTO LE 20th JOUR DE JANVIER 2016

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise



may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

**RESTRUCTURING**

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are set out below, have the right to:

permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate.

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and

pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the

THIS IS TO CERTIFY THAT THIS DOCUMENT EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.  
DATED AT TORONTO THIS 11th DAY OF January 2016  
FAIT A TORONTO LE 11e JOUR DE Janvier 2016  
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THIS IS A TRUE COPY OF THE DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO. IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE DATED AT TORONTO THIS 13 DAY OF JANUARY 2016. LA PRÉSENT ATTESTE QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE À TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU. REGISTRAR

landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

**NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

14. **THIS COURT ORDERS** that until and including February 18, 2016, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the



foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, credit card services provided by Chase Paymentech Solutions, Inc. or other credit card processors, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants without having to provide any security deposit or any other security in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

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DATED AT TORONTO THIS 11 DAY OF JANUARY 2016  
 FAIT A TORONTO LE 11 JOUR DE JANVIER 2016

**NON-DEROGATION OF RIGHTS**

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

**PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

**DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

20. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "D&O Charge") on the Property, which charge shall not exceed an aggregate amount of \$3.1 million, as security for the indemnity provided in paragraph 20 of this Order. The D&O Charge shall have the priority set out in paragraphs 32 and 34 herein.

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DATED AT TORONTO, THIS 11th DAY OF January 20 16  
FAIT À TORONTO LE 11<sup>th</sup> JOUR DE January 20 16

REGISTRAR

GREFFIER



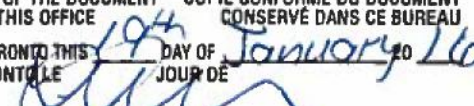
22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

#### APPOINTMENT OF MONITOR

23. **THIS COURT ORDERS** that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of their powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) liaise with Assistants, to the extent required, with respect to all matters relating to the Property, the Business and such other matters as may be relevant to the proceedings herein;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;

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<p>DATED AT TORONTO THIS 19<sup>th</sup> DAY OF January 2016 FAIT À TORONTO LE 19<sup>e</sup> JOUR DE Janvier 2016</p>	<p></p>

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

assist the Applicants, to the extent required by the Applicants, with their restructuring activities and/or any sale of the Property and the Business or any part thereof;

be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

hold and administer funds in accordance with arrangements among any of the Applicants, any Person and the Monitor, or by Order of this Court; and

(k) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario*

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FAIT A TORONTO LE 11e JOUR DE february 2016




*Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, including for greater certainty in the Monitor's capacity as "foreign representative", save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amounts of \$1,000,000 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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<p>DATED AT TORONTO THIS 19<sup>th</sup> DAY OF January 20 16 FAIT A TORONTO LE JOUR DE</p>	<p></p>
<p>REGISTRAR</p>	<p>GREFFIER</p>

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30. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and their legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. THIS COURT ORDERS that the Monitor, Canadian and US counsel to the Monitor, and the Applicants' Canadian and US counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 herein.

**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

32. THIS COURT ORDERS that the priorities of the Administration Charge and the D&O Charge, as among them, shall be as follows:

- First - Administration Charge (to the maximum amount of \$1,000,000); and
- Second - D&O Charge (to the maximum amount of \$3,100,000).

33. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge and the D&O Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. THIS COURT ORDERS that each of the Administration Charge and the D&O Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person that has not been served with notice of this order.

35. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants



also obtain the prior written consent of the Monitor, and the beneficiaries of the Administration Charge or the D&O Charge, as applicable, or further Order of this Court.

36. **THIS COURT ORDERS** that the Administration Charge and the D&O Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

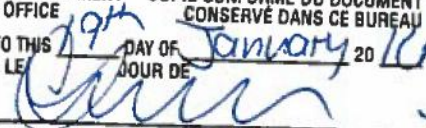
- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, , and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

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 FAIT À TORONTO LE 19<sup>th</sup> JOUR DE JANVIER 20 16

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**CHAPTER 15 PROCEEDINGS**

38. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered, but not required, to act as the foreign representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada including, if deemed advisable by the Monitor, to apply for recognition of these proceedings in the United States pursuant to Chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101- 1532 and to take such other steps as may be authorized by the Court and any ancillary relief in respect thereto.

**SERVICE AND NOTICE**

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner (provided that the list shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual), all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://cfcanada.fticonsulting.com/primus>'.

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<p>DATED AT TORONTO THIS 19<sup>th</sup> DAY OF January 2016 FAIT À TORONTO LE _____ JOUR DE _____</p>	<p><i>[Signature]</i></p>
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41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, together with any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

42. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

43. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.


44. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

45. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a

representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

46. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

47. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

  
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DATED AT TORONTO THIS  
FAIT A TORONTO LE

DAY OF January 20 16  
JOUR DE

REGISTRAR

GREFFIER

ENTERED AT / INSCRIT A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

JAN 19 2016  


Court File No: CV-16-11257-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

Proceeding commenced at Toronto

INITIAL ORDER

STIKEMAN ELLIOTT LLP  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9  
Maria Konyukhova LSUC#: 52880V  
Tel: (416) 869-5230  
Email: mkonyukhova@stikeman.com  
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Vlad Calina LSUC#: 69072W  
Tel: (416) 869-5202  
Email: vcalina@stikeman.com  
Fax: (416) 947-0866

# **EXHIBIT C**

Court File No. CV-16-11257-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) WEDNESDAY, THE 17<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF FEBRUARY, 2016  
 )

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT  
HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC.,  
PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

**Applicants**

**ASSIGNMENT ORDER**

**THIS MOTION**, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (collectively, the "**Vendors**") for an order assigning the rights and obligations of the Vendors under the Assigned Contracts (as defined below) as contemplated by an agreement of purchase and sale (the "**APA**") between, ~~inter alios~~, the Vendors and Birch Communications Inc. ("**Birch**", and Birch or its permitted assign pursuant to the APA, as applicable, being the "**Purchaser**") dated January 19, 2016, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of Michael Nowlan sworn January ●, 2016 and the Exhibits attached thereto, the First Report of FTI Consulting Canada Inc., in its capacity as Monitor of the Vendors (the "**Monitor**"), dated January ●, 2016, and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser and those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Vlad Calina sworn ●, 2016, filed:

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1. **THIS COURT ORDERS** that any capitalized term used but not defined herein shall have the meaning ascribed to such term in the APA.

#### **SERVICE**

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **ASSIGNMENT OF AGREEMENTS**

3. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate (the "Monitor's Certificate") referred to in the Order of Justice [Penny] dated [February 17, 2016], (the "Approval and Vesting Order"), all of the rights and obligations of the Vendors under the agreements set out in Schedule "A" hereto (collectively, the "Assigned Contracts") shall be assigned to the Purchaser pursuant to section 2.3 of the APA and pursuant to section 11.3 of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended ("CCAA").

4. **THIS COURT ORDERS** that, with respect to the Assigned Contracts that are real property leases (collectively the "Real Property Leases"), upon delivery of the Monitor's Certificate, the Purchaser shall be entitled and subject to all of the rights and obligations as tenant pursuant to the terms of the Real Property Leases and registrations thereof and may enter into and upon and hold and enjoy each premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Vendor, the landlords under the Real Property Leases or any person whomsoever claiming through or under any of the Vendor or the landlords under the Real Property Leases.

5. **THIS COURT ORDERS** that the assignment to the Purchaser of the rights and obligations of the Vendors under the Assigned Contracts to the Purchaser pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned

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Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

6. **THIS COURT ORDERS** that the Vendors' right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances (as such terms are defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.

7. **THIS COURT ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Vendors, the commencement of these CCAA proceedings or the chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101- 1532 proceedings, or any failure of the Vendors to perform a non-monetary obligation under the Assigned Contracts.

8. **THIS COURT ORDERS** that, following the closing of the transaction contemplated under the APA, all monetary defaults, other than those arising by reason of the Vendors' insolvency, the commencement of these CCAA proceedings, or the Vendors' failure to perform a non-monetary obligation, shall be cured and paid in accordance with the APA by no later than     , 2016.

**Comment [A1]:** Query whether we can have the monetary defaults set out in a schedule so that we can have certainty

**Comment [A2]:** S11.3(4) requires that there be a date set by the Court

**Formatted:** Highlight

9. **THIS COURT DIRECTS** the Vendors to send a copy of this Order to all of the counterparties to the Assigned Agreements.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendors, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

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**Schedule A - Assigned Contracts**

**[Contracts]**

**[Real Property Leases]**

**[NTD: Separate contracts and leases for clarity.]**

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

Court File No: CV-16-11257-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

**ASSIGNMENT ORDER**

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**Lawyers for the Applicants**

# **EXHIBIT D**

Schedule I – Form of Approval and Vesting Order

Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE )  
JUSTICE )  
)  
WEEKDAY, THE #  
DAY OF MONTH, 2016

B E T W E E N:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PRIMUS TELECOMMUNICATIONS CANADA INC., PRIMUS  
TELECOMMUNICATIONS, INC AND LINGO, INC.

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the "Vendors") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (as may be amended, restated or modified from time to time in accordance with paragraph 2 hereof, the "Sale Agreement") between the Vendors and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and appended to the affidavit of [•] sworn [•], and vesting in the Purchaser the Vendors' right, title and interest in and to the assets described and defined in the Sale Agreement as the "Purchased Assets" (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [•] sworn [•] and the [First] Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "Monitor") of the Vendors and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser and those other parties

present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.
4. THIS COURT ORDERS AND DECLARES that, other than the transfer of the Regulated Customer Relationships which shall vest absolutely in the Purchaser free and clear of and from any and all Encumbrances (as defined below) when such Regulated Customer Relationships transfer to the Purchaser in accordance with the terms of the Sale Agreement, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Monitor's Certificate**"), all of the Vendors' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, taxes, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: **[(i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]; and (ii)]** all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are

collectively referred to as the "Encumbrances" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS AND DIRECTS:

- (i) the Monitor, from and after the Closing Time, to hold the Regulated Customer Relationships Escrow, if applicable, in escrow, in a segregated bank account in the name of the Monitor (the "**Escrow Account**");
- (ii) the Monitor to release the Regulated Escrow Funds, or any portion thereof, from the Escrow Account to an account to be designated by the Monitor (the "**Designated Account**"), at such times and in such amounts as are contemplated by the Sale Agreement and upon the release of such funds from the Escrow Account the Purchaser shall have no claim, interest or right in or to the portion of the Regulated Escrow Funds released by the Monitor from the Escrow Account to the Designated Account;
- (iii) the Monitor to as soon as reasonably practicable following the day which is 6 months from the Closing Date (the "**Escrow Outside Date**"), return to the Purchaser any amount of the Regulated Escrow Funds remaining in the Escrow Account on the Escrow Outside Date and upon the return of the Remaining Escrow Funds to the Purchaser the Vendors shall have no claim, interest or right in or to the Remaining Escrow Funds;

in each case, unless otherwise ordered by this Court, and in each case the Monitor shall incur no liability with respect to its administration of the Regulated Customer Relationships Escrow, the Escrow Account or the Designated Account.

6. THIS COURT ORDERS that Monitor is authorized to hold the Closing Cash Payment in the Designated Account and that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets, including the net proceeds from



the sale of the Regulated Customer Relationships when released from the Escrow Account shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor's Certificate.

9. THIS COURT ORDERS that upon the registration in the Canadian Intellectual Property Office of a copy of this Order, the applicable Registrar is hereby directed to transfer all of the Vendors' right, title and interest in and to the Purchased Intellectual Property to the Purchaser, free and clear of and from any and all Claims.

10. THIS COURT ORDERS that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.

11. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

12. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. THIS COURT ORDERS that the Sale Agreement and any ancillary documents related thereto shall not be repudiated, disclaimed or otherwise compromised in these proceedings.

14. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Vendors and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order.

**Schedule A – Form of Monitor’s Certificate**

Court File No. \_\_\_\_\_

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**B E T W E E N:**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PRIMUS TELECOMMUNICATIONS CANADA INC., PRIMUS  
TELECOMMUNICATIONS, INC AND LINGO, INC.**

Applicants

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the “**Court**”) dated [DATE OF ORDER], Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the “**Vendors**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 and FTI Consulting Canada Inc. was appointed as the Monitor (the “**Monitor**”) of the Vendors.

B. Pursuant to an Order of the Court dated [DATE] (the “**Approval and Vesting Order**”), the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (as may be amended, restated or modified from time to time, the “**Sale Agreement**”) between the Vendors and [NAME OF PURCHASER] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets (other than the Regulated Customer Relationships, which shall vest in the Purchaser in accordance with the terms of the Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Closing Cash Payment; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Vendors and

the Purchaser (as applicable); and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable;
2. The Monitor has received the Closing Cash Payment and the Regulated Customer Relationships Escrow, if applicable; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**FTI Consulting Canada Inc., in its capacity as  
Monitor of Primus Telecommunications Canada  
Inc., Primus Telecommunications, Inc. and  
Lingo, Inc., and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:

# **EXHIBIT E**

Court File No. CV-16-11257-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) WEDNESDAY, THE 17<sup>TH</sup>  
 )  
JUSTICE PENNY ) DAY OF FEBRUARY, 2016  
 )

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS,  
INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

Applicants

STAY EXTENSION AND DISTRIBUTION ORDER

THIS MOTION, made by PT Holdco, Inc. ("**Holdco**"), Primus Telecommunications Canada Inc. ("**Primus Canada**"), PTUS, Inc. ("**PTUS**"), Primus Telecommunications, Inc. ("**PTI**") and Lingo, Inc. ("**Lingo**", and together with PTUS, PTI, Holdco and Primus Canada, the "**Primus Entities**") for an order: (i) approving an extension of the stay of proceedings referred to in the Initial Order of the Honourable Justice Penny dated January 19, 2016, to [April 19, 2016]; and (ii) authorizing and directing FTI Consulting Canada Inc., in its capacity as Monitor of the Primus Entities (the "**Monitor**"), to make the Origin ~~Distribution~~ Disbursement (as the term is defined below); (iii) authorizing and directing the Monitor to make the Syndicate Distribution subject to maintaining the amount of the Holdback (as each term is defined below); (iv) authorizing the Monitor to disburse from the Holdback, from time to time ~~the~~ amounts owing by the Primus Entities with-in respect ~~of~~ to all legal and professional fees and expenses of the Monitor, the Monitor's legal counsel and other advisors and of the legal advisers-counsel and other advisors to the Primus Entities and the Monitor (collectively, the "**Professional Expenses**"); and (v) authorizing the Monitor to disburse from the Holdback, from time to time, on instruction from the Primus Entities, any amounts owing by the Primus Entities in respect of ~~post-filing expenses~~ obligations incurred by the

~~Primus Entities since the commencement of in the Primus Entities' operations, in these Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-3 proceedings, and the chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 proceedings~~ (collectively, the "Post Filing Expenses"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn January ●, 2016 and the Exhibits attached thereto, the First Report of the Monitor, dated January ●, 2016, and on hearing the submissions of counsel for the Monitor, the Applicants, the Agent (as defined below) those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Vlad Calina sworn ●, 2016, filed:

#### SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### EXTENSION OF STAY OF PROCEEDINGS PERIOD

2. **THIS COURT ORDERS** that the Stay Period referred to in the Initial Order of the Honourable Justice Penny dated January 19, 2016, is extended until [~~April~~ September 19, 2016].

#### APPROVAL OF INTERIM AND FUTURE DISTRIBUTIONS

3. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to disburse the amounts owing to Origin Merchant Partners ("Origin") under the engagement letter dated August 7, 2015 (the "Origin Disbursement"), within ~~●~~ five (5) business days after the later of from (i) the day of filing the Monitor's Certificate referred to in the Approval and Vesting Order of the Honourable Justice Penny dated February [17], 2016 (the "**Monitor's Certificate**") and (ii) receipt of an invoice issued by Origin for the Origin Disbursement, Cdn. \$■ to Origin Merchant Partners ("Origin"), being the amount of fees



~~due and payable and by the Primus Entities to Oirgin under the engagement letter dated August 7, 2015 (the "Origin Distribution").~~

4. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to disburse, within [five] business days from the day of filing the Monitor's Certificate, Cdn. \$■ to Bank of Montreal as administrative agent (the "**Agent**") for Bank of Montreal, HSBC Bank Canada and ATB Corporate Financial Service (collectively, the "**Syndicate**"), and the Monitor is hereby authorized and directed to make further disbursements to the Agent from time to time for any further amounts that may be owing to the Syndicate by ~~[Primus Canada]~~the Primus Entities under the Credit Agreement dated July 31, 2013 (as amended by an amending agreement dated September 23, 2014) (the "**Syndicate Distribution**") up to a maximum amount of the Syndicate's secured obligations but in each case subject to the maintenance of a holdback in an amount satisfactory to the Monitor ~~for the to satisfy certain payments, of including~~ Professional Expenses and Post Filing Expenses and ~~to secure~~claims secured by the Administration Charge ~~and the or~~ D&O Charge (each as defined in the Initial Order dated January 19, 2016) (the "**Holdback**").

5. **THIS COURT ORDERS** that the Monitor, on behalf of the Primus Entities, is hereby authorized and empowered, without further Order of the Court, to disburse from the Holdback, from time to time, amounts owing by the Primus Entities in respect of Professional Expenses.

6. **THIS COURT ORDERS** that the Monitor, on behalf of the Primus Entities, is hereby authorized and empowered, without further Order of the Court, to disburse from the Holdback, from time to time, on instruction from the Primus Entities, any amounts owing by the Primus Entities in respect of Post Filing Expenses.

7. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") and any order issued pursuant to any such petition;

- (c) any application for a receivership order; or
- (d) any provisions of any federal or provincial legislation;

the holdbacks, payments, distributions and disbursements contemplated in this Order, are made free and clear of any Encumbrances (as defined in the Approval and Vesting Order) to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Primus Entities, Origin, the Syndicate or the Monitor, and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT DCLARES** that no action lies against the Monitor, its affiliates, agents, employees, officers or directors, by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. ~~The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.~~

9. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

10. **THIS COURT DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

11. **THIS COURT REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.



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

Court File No: CV-16-11257-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**STAY EXTENSION AND  
DISTRIBUTION ORDER**

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**Lawyers for the Applicants**

# **EXHIBIT F**

**PRIMUS TELECOMMUNICATIONS CANADA INC.,  
PRIMUS TELECOMMUNICATIONS, INC. and LINGO, INC.**

as Vendors

and

**BIRCH COMMUNICATIONS, INC.**

as Purchaser

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**ASSET PURCHASE AGREEMENT**

**January 19, 2016**

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- Schedule I – Form of Approval and Vesting Order
- Schedule J – Form of Management Services Agreement
- Schedule K – Regulated Customer Relationship Values by State

## ASSET PURCHASE AGREEMENT

This asset purchase agreement is made as of January 19, 2016, between Primus Telecommunications Canada Inc., a corporation incorporated under the laws of Ontario, Primus Telecommunications, Inc., a corporation incorporated under the laws of Delaware, and Lingo, Inc., a corporation incorporated under the laws of Delaware (collectively, the “**Vendors**”) and Birch Communications, Inc., a corporation incorporated under the laws of Georgia (the “**Purchaser**”).

### RECITALS:

The Vendors desire to sell certain of its and its subsidiaries’ assets and the Purchaser has agreed to purchase such assets subject to the terms and conditions set forth in this Agreement and in accordance the applicable provisions of the CCAA.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor and the Purchaser agree as follows:

### ARTICLE 1 INTERPRETATION

#### Section 1.1 Definitions

In this Agreement and the recitals above, the following terms have the following meanings:

“**Accounting Referee**” means a national accounting firm independent of the Vendors and the Purchaser, acceptable to both the Vendors and the Purchaser, acting reasonably, represented by members of such firm’s Toronto office.

“**Accounts Receivable**” means, on any date, all non-credit balance customer accounts receivable generated in the operation of the Business, together with any unpaid interest or fees accrued thereon which are outstanding on such date and the full benefit of all security or collateral of any Vendor for, or in respect of, such amounts, including recoverable advances and deposits, but for greater clarity, excluding any amounts owing to any Vendor at the Closing Time from any of its shareholders or Affiliates (other than a Vendor), or from any other Person with whom it does not deal at arm’s length.

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“**Agreement**” means this asset purchase agreement, as amended from time to time.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or

order, in each case, having the force of law that applies in whole or in part to such Person, property, transaction or event.

**“Approval and Vesting Order”** means an order by the Court substantially in the form attached as Schedule I approving this Agreement and authorizing the Vendors to complete the Transaction and vesting in the Purchaser all the right, title and interest of the Vendors in and to the Purchased Assets free and clear of all Encumbrances and Claims other than Permitted Encumbrances.

**“Assignment Order”** means an order or orders of the Court pursuant to Section 11.3 and other applicable provisions of the CCAA, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving (i) the assignment of any Essential Contract for which a consent, approval or waiver necessary for the assignment of such Essential Contract has not been obtained prior to the Closing Time, (ii) the prevention of any counterparty to any such Essential Contract from exercising any right or remedy under such Essential Contract by reason of any defaults arising from the CCAA Proceedings or the insolvency of any Vendor and (iii) the vesting in the Purchaser of all right, title and interest of the relevant Vendor in such Essential Contract.

**“Assumed Contracts”** means the contracts and other written agreements listed on Schedule B and on Schedule C, but excluding the Excluded Contracts.

**“Assumed Obligations”** has the meaning set out in Section 2.6.

**“Base Purchase Price”** means \$44 million.

**“Benchmark Accounts Receivable”** means \$6,658,890.

**“Benchmark Monthly Revenue”** means \$12,976,672.

**“Benefit Plans”** means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings with respect to some or all of the Employees, former employees of any Vendor or the Business or their respective dependents or beneficiaries and which provide for or relate to (i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, supplemental retirement arrangements, share compensation, share purchase or share option, share appreciation rights, phantom stock, vacation or vacation pay, sick pay, employee loans, or any other compensation in addition to salary; (ii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short term disability, long term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor’s benefits, supplementary employment insurance, day care, tuition or professional commitments or expenses and perquisites or similar employment benefits or (iii) welfare, termination, retirement, savings, pensions, supplemental retirement or any other similar benefits or rights, in each case sponsored, maintained or contributed to or required to be contributed to by

any Vendor or by which any Vendor is bound or with respect to which any Vendor participates or has any actual or potential liability or obligation.

**“Books and Records”** means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including tax and accounting books and records, used or intended for use by any Vendor in connection with the ownership of the Purchased Assets or operation of the Business, including the Assumed Contracts, active and non-active customer lists, active and non-active customer information, account records, invoices, notes and trouble tickets for a minimum of six months prior to the date hereof, service request documents, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business, and, for greater certainty, excluding the minute books and corporate records of any Vendor.

**“BSS”** means billing support systems.

**“Business”** means the business of the Vendors, being the provision of telecom services to customers in Canada, the United States and Puerto Rico.

**“Business Day”** means a day on which banks are open for business in Toronto, Ontario but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

**“CABS”** means carrier access billing services.

**“CCAA”** means *Companies’ Creditors Arrangement Act* (Canada).

**“CCAA Proceedings”** means the proceedings under the CCAA to which the Vendors will be subject pursuant to the Initial Order.

**“chapter 15”** means chapter 15, title 11 of the United States Bankruptcy Code.

**“chapter 15 Proceedings”** means the proceedings under chapter 15 made pursuant to the Initial Order.

**“Claims”** means any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person.

**“Closing”** means the successful completion of the Transaction.

**“Closing Cash Payment”** has the meaning set out in Section 3.2(b).

**“Closing Cash Purchase Price”** has the meaning set out in Section 3.1.

“**Closing Date**” means the date on which Closing occurs that is expected to be five Business Days after the date upon which the Approval and Vesting Order is obtained and is final, not stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal, or such other earlier or later date as may be agreed by the Parties.

“**Closing Statement**” has the meaning set out in Section 3.7(a).

“**Closing Time**” means 2:00 p.m. (Toronto time) on the Closing Date.

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, Section 4980B of the Code, Title I Part 6 of ERISA.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Competition Act**” means the *Competition Act* (Canada), R.S.C., 1985, c. C-34.

“**Consent Required Contract**” has the meaning set out in Section 2.3.

“**Court**” means Ontario Superior Court of Justice (Commercial List).

“**Cure Costs**” means in respect of any Assumed Contract, all amounts required to be paid to cure any monetary defaults thereunder, if any, required to effect an assignment thereof from a Vendor to the Purchaser; provided that, in respect of the Business pertaining to U.S. and Puerto Rico customers only and where it is possible to transfer or redesignate Vendor’s customers or network services to contracts of the Purchaser, Cure Costs will include any redesignation or other fees, costs or expenses required to accomplish such redesignation or transfer (“**Redesignation Costs**”) provided that such Redesignation Costs do not exceed US \$250,000 in the aggregate.

“**Customer Prepayments**” means the sum of all payments received by any Vendor in respect of services to be provided by Purchaser after the Closing Time.

“**Deposit**” has the meaning set forth in Section 3.3.

“**Employee**” means an individual who is employed by any Vendor, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long term disability leave.

“**Employee Plans**” means all “employee benefit plans” within the meaning of Section 3(3) of ERISA, all formal written plans and all other compensation and benefit plans, contracts, policies, programs and arrangements of the Vendor in connection with the Business in effect as of the date hereof, including all pension, profit sharing, savings and thrift, bonus, stock bonus, stock option or other cash or equity-based incentive or deferred compensation, severance pay and medical and life insurance plans in which any of the Employees or their dependents participate.



**“Encumbrances”** means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate Liability”** means any obligation, liability, or expense of any Vendors which arises under or relates to any employee benefit plan or arrangement of Vendors or its affiliates that is subject to Title IV of ERISA, Section 302 of ERISA, Section 412 of the Code, COBRA or any other statute or regulation that imposes liability on a so-called “controlled group” basis with or without reference to any provision of Section 414 of the Code or Section 4001 of ERISA, including by reason of any Vendors’ affiliation with any of any trade or business, whether or not incorporated, that together with the Vendors would be deemed a “single employer” within the meaning of Section 4001(b) of ERISA (an **“ERISA Affiliate”**) or the Purchaser or any of its limited partners being deemed a successor to any ERISA Affiliate of any Vendor.

**“Escrow Agent”** means FTI Consulting Canada Inc., solely in its capacity as escrow agent for the Vendors and the Purchaser pursuant to an escrow agreement dated the date hereof between the Vendors, the Purchaser and FTI Consulting Canada Inc.

**“Essential Contracts”** means the contracts and other written agreements listed on Schedule B, each of which is a Consent Required Contract, material and required for the operation of the Business by the Purchaser.

**“Excise Tax Act”** means the *Excise Tax Act* (Canada).

**“Excluded Assets”** means all cash and cash equivalents of any Vendor, the Excluded Contracts, all Benefit Plans and Employee Plans and all of any Vendor’s right, title and interest, in and to those assets and rights set forth in Schedule D.

**“Excluded Contracts”** means those contracts and other written agreements to which any Vendor is a party that (i) is not listed on Schedule B or C, (ii) is deemed to be an Excluded Contract pursuant to Section 2.3(1)(a) or (iii) becomes an Excluded Contract pursuant to Section 2.8, and, for greater certainty, **“Excluded Contracts”** includes the contracts and other written agreements listed on Schedule E.

**“FCC”** means the Federal Communications Commission of the United States.

**“Governmental Authority”** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

**“Income Tax Act”** means the *Income Tax Act* (Canada).

**“Indemnified Party”** means a Person with indemnification rights or benefits under this Agreement.

**“Initial Order”** means the order of the Court with respect to the CCAA Proceedings, granting the Vendors protection pursuant to the CCAA, which is expected to be obtained on or about January 19, 2016.

**“Intellectual Property”** means:

- (a) patents, patent applications and other patent rights, including provisional and continuation patents;
- (b) registered and unregistered trade-marks, service marks, logos, slogans, corporate names, trade names, business names and other indicia of origin, and all applications and registrations therefor;
- (c) internet domain names, applications and reservations for internet domain names, uniform resource locators and the corresponding internet sites;
- (d) customer service telephone numbers (toll free and local numbers) and blocks of telephone numbers assigned to any Vendor; and
- (e) all other intellectual property used to support the Business.

**“Investment Canada Act”** means the *Investment Canada Act*.

**“Management Agreement”** has the meaning set out in Section 2.4(2).

**“Monitor”** means FTI Consulting Canada Inc. in its capacity as monitor of the Vendors in the CCAA Proceedings.

**“Monitor’s Certificate”** means the certificate of the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties and that the Monitor has received the Closing Cash Payment.

**“Net Revenue”** means the net revenue of the Business shown on the consolidated monthly financial statements prepared in a manner consistent with the Vendor’s past accounting policies and practices, which for greater certainty excludes any Pass-Through Charges.

**“Offered Employees”** has the meaning set out in Section 4.1(1).

**“Ordinary Course of Business”** means the ordinary conduct of the Vendors with respect to the Purchased Assets or the Business in a manner that is consistent with the

conduct of the Business in the six month period preceding the date hereof and consistent with the orders of the Court in the CCAA Proceedings and the chapter 15 Proceedings.

“**OSS**” means operation support systems.

“**Outside Date**” means June 30, 2016.

“**Party**” means the Purchaser or any Vendor.

“**Pass-Through Charges**” means all charges collected for the purposes of being remitted to a Governmental Authority.

“**Permitted Encumbrances**” means those Encumbrances set forth in Schedule G.

“**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“**Post-Closing Statement**” has the meaning set out in Section 3.7(c).

“**Public Statement**” has the meaning set out in Section 9.5.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**Purchased Assets**” means all of each Vendor’s right, title and interest, in and to the assets used in or required for the Business, including those assets set forth in Schedule A, but excluding the Excluded Assets.

“**Purchased Intellectual Property**” means all Intellectual Property of any Vendor used in or required for the Business, including the items listed in Schedule H.

“**Purchaser**” has the meaning set out in the recitals hereto.

“**Regulated Customer Relationships**” has the meaning set out in Section 2.4(1).

“**Regulated Customer Relationships Escrow**” means to be paid to the Monitor in escrow and deducted from the Closing Cash Payment pursuant to Section 3.2(1)(b)(ii) or Section 3.2(1)(b)(iii), as the case may be.

“**Representative**” means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party’s Affiliates.

“**Required Approvals**” means any material permit, license, consent, waiver, approval, registration or authorization of any Governmental Authority required for Purchaser to

continue to operate the Business following the Closing in substantially the same manner as the Business is operated by Vendors on the date of this Agreement.

**"Sales Tax"** means all taxes, interest, penalties and fines imposed under Sales Tax Legislation.

**"Sales Tax Legislation"** means Part IX of the *Excise Tax Act* and *An Act Respecting the Quebec Sales Tax* (Québec) and the regulations made under such legislation.

**"State PUC"** means any state public utility commission or other regulatory body of the District of Columbia or any United States state or possession with jurisdiction over the provision of intrastate telecommunications services.

**"Target Accounts Receivable"** means the sum of the current and 30 day Canadian Accounts Receivable balances of the Vendors and the current and 30 day U.S. Accounts Receivable balances of the Vendors converted to Canadian dollars taken from the accounts receivable sub-ledgers underlying the consolidated monthly financial statements as at the monthly accounting period end preceding the Closing Date all in a manner consistent with past accounting policies and practices of the Vendors.

**"Total Actual Revenue"** means Net Revenue for the three full monthly accounting periods immediately preceding the Closing Date, divided by three.

**"Transaction"** means the transaction of purchase and sale contemplated by this Agreement.

**"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including Sales Tax but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation.

**"Transferred Employees"** has the meaning set out in Section 4.3.

**"Unbilled Revenue"** means revenue associated with goods and services provided by any Vendor to its customers that has not been invoiced or billed to such customers.

**"U.S. Court"** means the United States Bankruptcy Court for the District of Delaware.

**"U.S. Recognition Order"** means one or more orders made by a court of competent jurisdiction in the United States, including, but not limited to the United States Bankruptcy Court for the District of Delaware, under chapter 15 recognizing and giving effect to the Initial Order, Approval and Vesting Order, and the Assignment Order.

**"Vendors"** has the meaning set out in the recitals hereto.

**Section 1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

**Section 1.3 General Construction**

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

**Section 1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

**Section 1.5 Currency**

All references in this Agreement to dollars, monetary amounts or to \$ are expressed in Canadian currency unless otherwise specifically indicated.

**Section 1.6 Statutes**

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

**Section 1.7 Schedules**

The following Schedules are incorporated in and form part of this Agreement:

Schedule A	–	Purchased Assets
Schedule B	-	Essential Contracts
Schedule C	–	Other Assumed Contracts
Schedule D	–	Excluded Assets
Schedule E	–	Excluded Contracts
Schedule F	–	Purchase Price Allocation
Schedule G	–	Permitted Encumbrances
Schedule H	–	Purchased Intellectual Property
Schedule I	–	Form of Approval and Vesting Order
Schedule J	–	Form of Management Services Agreement
Schedule K	–	Regulated Customer Relationship Values by State

**ARTICLE 2  
PURCHASE AND SALE**

**Section 2.1 Purchase and Sale of Assets**

Subject to the terms and conditions hereof at the Closing Time, each Vendor hereby agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from such Vendor the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order.

**Section 2.2 Excluded Assets**

The Purchased Assets shall include only those assets expressly contemplated in the definition of Purchased Assets and the Purchaser shall in no way be construed to acquire any interest in the Excluded Assets.

**Section 2.3 Assignment of Contracts**

- (1) In the event that there are any Assumed Contracts which are not assignable in whole or in part without the consent, approval or waiver of another party or parties to them (each a **“Consent Required Contract”**):
  - (a) If any such consents, approvals or waivers or Assignment Orders therefor have not yet been obtained as of the Closing Date, then nothing in this Agreement will be construed as an assignment of any such Consent Required Contract and the Purchaser shall have no liability or obligation whatsoever in respect of any such Consent Required Contract and all such Consent Required Contracts shall be deemed to be Excluded Contracts;
  - (b) Following the issuance of the Initial Order and until the Approval and Vesting Order is granted, the Vendor shall use its commercially reasonable efforts to obtain any such consent, approval or waiver and the Purchaser shall provide its reasonable cooperation to assist the Vendor in obtaining any such consent, approval or waiver;
  - (c) If any consent, approval or waiver is not obtained for any Essential Contract prior to the service of the motion for the Approval and Vesting Order, the Vendor shall bring a motion to the Court for issuance of an Assignment Order with respect to each such Essential Contract together with the motion for the Approval and Vesting Order; and
  - (d) Once the consent, approval or waiver to the assignment of a Consent Required Contract is obtained or, with respect to any such Consent Required Contract that is an Essential Contract only, the assignment of such Consent Required Contract has been ordered by the Court, such Consent Required Contract shall be deemed to be assigned to the Purchaser on Closing.

- (2) With respect to each Consent Required Contract, subject to closing and to either (i) the consent, approval or waiver of the other parties thereto required for the assignment thereof, or (ii) in the absence of such consent, the obtaining of an Assignment Order, as part of the Purchase Price the Purchaser shall pay the applicable Cure Costs related to such Consent Required Contract on Closing.
- (3) All negotiations with respect to the settlement and payment of Cure Costs may only be conducted from and after the filing of the Initial Order and shall be conducted in the presence of a representative of each of the Vendor, the Purchaser and the Monitor, unless the right to have a representative present is waived by the Vendor, the Purchaser or the Monitor, respectively.

#### **Section 2.4 Regulated Customer Relationships**

- (1) Notwithstanding anything in this Agreement to the contrary, the transfer of the customer accounts and relationships described in the Management Agreement for which a Required Approval of the FCC or a State PUC (the "**Regulated Customer Relationships**") is required and has not been obtained at or before the Closing shall not occur at Closing but shall instead occur automatically without any further action of the Vendors, the Purchaser or the Monitor upon the later of (A) the date the Required Approval from the FCC has been obtained and (B) the date the Required Approval from the relevant State PUC has been obtained.
- (2) The Purchaser and certain of the Vendors shall enter into a management agreement (the "**Management Agreement**") in the form attached hereto as Schedule J.

#### **Section 2.5 "As is, Where is"**

The Purchaser acknowledges that the Vendors are selling the Purchased Assets on an "as is, where is" basis as they shall exist at the Closing Time subject to the benefit of the representations and warranties in this Agreement. No representation, warranty or condition is expressed or can be implied as to fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of any Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario), the *Civil Code of Québec* or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. Except as otherwise provided in Section 5.2, no representation, warranty or condition has or will be given by any Vendor concerning completeness or accuracy of such descriptions.

#### **Section 2.6 Assumed Obligations**

The Purchaser shall assume and perform, discharge and pay when due the following obligations and liabilities of the Vendors (the "**Assumed Obligations**") after the Closing:



- 12 -

- (a) all debts, liabilities and obligations under the Assumed Contracts (to the extent assigned or transferred to the Purchaser on Closing and in respect of Assumed Contracts for services, only those debts, liabilities and obligations for services performed from and after the Closing Time) for the period from and after the Closing Time, in each case provided that such debts, obligations or liabilities are not arising from, due to or attributable to (i) any default existing or breach (with or without the giving of notice, the lapse of time, or both) by any Vendor occurring prior to or as a consequence of Closing, or (ii) any default, breach or violation of any Vendor of any term or condition of this Agreement;
- (b) all debts, liabilities and obligations under customer deposits and Customer Prepayments;
- (c) all debts, liabilities and obligations for realty taxes in respect of the Purchased Assets attributable to the period from and after the Closing Time;
- (d) all debts, liabilities and obligations for which the Purchaser is responsible pursuant to Section 4.3;
- (e) all Cure Costs; and
- (f) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Time that are not Excluded Obligations.

## **Section 2.7 Excluded Obligations**

Other than the Assumed Obligations, the Purchaser shall not assume, pay, satisfy, discharge, perform or fulfill and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations or Claims of the Vendors, including, without limiting the generality of the foregoing:

- (a) all legal, accounting, broker other professional fees, costs and expenses incurred by the Vendors in connection with the CCAA Proceedings or the transactions contemplated by this Agreement;
- (b) all debts, liabilities, obligations or Claims related to any Benefit Plans or Employee Plans (including in respect of the Transferred Employees);
- (c) all debts, liabilities, obligations or Claims related to Employees (other than Transferred Employees pursuant to Section 4.3 only) or former employees;
- (d) all debts, liabilities and obligations related to any Purchased Asset arising out of or related to the period prior to the Closing Time;
- (e) all debts, liabilities and obligations relating to any Excluded Asset;

- (f) all obligations and liabilities owing by any Vendor to any Affiliate thereof;
- (g) all liabilities and obligations of any Vendor arising out of any proceeding (i) pending against any Vendor or the Business as of the Closing Date; or (ii) commenced against any Vendor after the Closing Date to the extent such liability or obligation arises or results from the Vendors' ownership or operation of the Purchased Assets and the Business prior to the Closing Date;
- (h) all obligations and liabilities for prepayments and deposits for non-active customers in the U.S.;
- (i) all debts, liabilities and obligations for or related to any obligation for any taxes that are not expressly assumed by the Purchaser pursuant to Section 2.6 or Section 3.6;
- (j) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends on or before the Closing Date (other than any Transfer Taxes); and
- (k) without duplication, all debts, liabilities and obligations of the Vendors arising under this Agreement.

#### **Section 2.8 Additions to Excluded Contracts**

Notwithstanding Section 2.7, the Purchaser shall have the right, at any time prior to the granting of the Approval and Vesting Order to add to the list of contracts and other written agreements listed in Schedule E by notice in writing to the Vendor and the Monitor so that any contract or other written agreement so added shall be an Excluded Contract and shall not be assigned to the Purchaser at Closing, without any adjustment to the Purchase Price.

### **ARTICLE 3 PURCHASE PRICE**

#### **Section 3.1 Purchase Price**

The aggregate purchase price (the "**Purchase Price**") amount payable by the Purchaser to the Vendors for the Purchased Assets is the sum of: (i) (A) the Base Purchase Price, as adjusted pursuant to Section 3.7 below, *less* (B) all Cure Costs, *less* (C) all amounts payable that do not constitute Cure Costs in respect of Essential Contracts for services provided in the period prior to or up until the Closing Time (but for greater certainty, not for termination or assignment costs or legal or transfer fees), provided, however, the reductions to the Purchase Price pursuant to clauses (B) and (C) will be made only to the extent such reductions exceed \$3 million in the aggregate, and then only to the extent of 50% of such excess (the "**Closing Cash Purchase Price**") plus (ii) the assumption by the Purchaser of the Assumed Obligations.

**Section 3.2 Satisfaction of Purchase Price**

- (1) Provided that all conditions precedent to Closing have been satisfied or waived in accordance with Article 7, the Purchase Price shall be paid and satisfied on Closing as follows:
  - (a) as to the amount of the Deposit, by the crediting and set off of the Deposit against an amount of the Closing Cash Purchase Price equal to the amount of the Deposit;
  - (b) as to the balance of the Closing Cash Purchase Price (the **“Closing Cash Payment”**):
    - (i) if the Required Approvals from the FCC and each State PUC have been obtained by the Purchaser by the Closing Time, the Purchaser shall pay the Closing Cash Payment to the Monitor by wire transfer of immediately available funds to an account designated by the Monitor and held by the Monitor in such account pending further order of the Court; or
    - (ii) if the Required Approval from the FCC has not been obtained by the Closing Time, the Purchaser shall pay the Closing Cash Payment less \$2.5 million, such amount being the amount of the Closing Cash Purchase Price attributable to the Regulated Customer Relationships; or
    - (iii) if the Required Approval from the FCC has been obtained by the Closing Time, the Purchaser shall pay the Closing Cash Payment less an amount equal to the amount attributable to the Regulated Customer Relationships for which the State PUC Required Approvals have not been obtained by the Closing Time, based on Schedule K, such amount being the amount of the Closing Cash Purchase Price attributable to the Regulated Customer Relationships not transferred at the Closing Time; and
  - (c) as to the dollar value of the Assumed Obligations, by the assumption by the Purchaser of the Assumed Obligations.
- (2) If any amount of the Regulated Customer Relationships Escrow is deducted from the Closing Cash Payment pursuant to Section 3.2(1)(b)(ii) or Section 3.2(1)(b)(iii), the Purchaser shall deposit such amount with the Monitor at the Closing Time to be held by the Monitor in escrow. Within ten Business Days following the last day of the first full calendar month after Closing, and continuing within ten Business Days following the last day each calendar month thereafter until all Regulated Customer Relationships are transferred to the Purchaser pursuant to Section 2.4(1), the Purchaser shall provide the Monitor with a written statement confirming the Required Approvals obtained during the previous month and as soon as practical following receipt of such written statement the Monitor shall transfer from the Regulated Customer Relationships Escrow the amount attributable to the Regulated Customer Relationships transferred during the previous month based upon Schedule K to the Monitor, to be held in an account

designated by the Monitor and held by the Monitor in such account or paid in accordance with the order of the Court, in satisfaction of the Purchase Price attributable to the Regulated Customer Relationships so transferred.

### **Section 3.3 Deposit**

The Vendors acknowledge receipt of a deposit (the “**Deposit**”) of \$2 million, paid to the Escrow Agent on behalf of the Vendors and held by the Escrow Agent subject to the terms of the Escrow Agreement. If the Closing takes place, the Deposit shall be credited and set off against the Closing Cash Purchase Price. The Deposit shall be forfeited in favour of the Vendors in the event this Agreement is terminated by the Vendors pursuant to Section 8.6(2)(d). In the event that this Agreement is terminated pursuant to Section 8.6 for any reason other than by the Vendors pursuant to Section 8.6(2)(d), the Purchaser shall be entitled to a full refund of the Deposit and the Vendors and Purchaser shall provide the Escrow Agent with a written direction instructing the Escrow Agent to release the Deposit to the Purchaser in accordance with the terms of the Escrow Agreement.

### **Section 3.4 Allocation of Purchase Price**

The Purchase Price shall be allocated among the Purchased Assets and the Vendors as specified in Schedule F. Each of the Vendors and the Purchaser shall report the sale and purchase of the Purchased Assets for all tax purposes in a manner consistent with such allocation, and will complete all tax returns, designations and elections in a manner consistent with such allocation and otherwise follow such allocation for all tax purposes on and subsequent to the Closing Date and may not take any position inconsistent with such allocation.

### **Section 3.5 Section 22 Tax Election**

The Purchaser and Primus Telecommunications Canada, Inc. shall make and file, in a timely manner, a joint election to have the rules in section 22 of the Income Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the Accounts Receivable that are the subject of that election and shall designate therein that portion of the consideration allocated to the Accounts Receivable that are the subject of such election in accordance with Section 3.4 of this Agreement as consideration paid by the Purchaser to Primus Telecommunications Canada, Inc.

### **Section 3.6 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser’s acquisition of the Purchased Assets;
- (b) the Purchaser shall indemnify the Vendors for any applicable Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) for

which the Vendors may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes; and

- (c) Primus Telecommunications Canada, Inc. and the Purchaser shall jointly elect that no Sales Tax be payable pursuant to the Sales Tax Legislation with respect to the purchase and sale of the Purchased Assets under this Agreement and the Purchaser will file an election pursuant to section 167 of the Excise Tax Act and section 75 of *An Act Respecting the Quebec Sales Tax* (Québec), prepared by the Purchaser and made jointly by the Purchaser and Primus Telecommunications Canada, Inc., in compliance with the requirements of the Sales Tax Legislation. Prior to the Closing, the Purchaser (or its Affiliate) shall become a registrant for purposes of the Sales Tax Legislation.

### **Section 3.7 Closing Statement**

- (a) Not later than ten Business Days prior to the Closing Date, the Vendors shall deliver to Purchaser a written statement (the “**Closing Statement**”) setting forth Vendors’ good faith estimate of (i) Total Actual Revenue, and (ii) Target Accounts Receivable, together with supporting documentation and calculations. Should the Purchaser object to any of the amounts or calculations in the Closing Statement, Purchaser and the Vendors shall cooperate in a diligent and good faith manner to resolve such objections prior to the Closing, and the Closing Statement shall be adjusted prior to the Closing to reflect any changes agreed to by the Purchaser and the Vendors prior to the Closing. In the event Purchaser and the Vendors cannot agree, the Vendors’ estimate of any items in dispute shall be used for the purposes of Closing.
- (b) The Base Purchase Price shall be:
- (i) subject to the proviso in Section 3.7(b)(ii), decreased by an amount equal to (A) (I) the amount by which Benchmark Monthly Revenue exceeds Total Actual Revenue, *divided* by (II) Benchmark Monthly Revenue, *multiplied* by (B) the Base Purchase Price;
  - (ii) decreased by the amount by which the Benchmark Accounts Receivable exceeds Target Accounts Receivable, provided that the Base Purchase Price shall be decreased in respect of Section 3.7(b)(i) and this Section 3.7(b)(ii) only to the extent the amount in Section 3.7(b)(i) and this Section 3.7(b)(ii) in the aggregate exceed \$1.5 million; and
  - (iii) increased by the amount by which the Target Accounts Receivable exceed the Benchmark Accounts Receivable.
- (c) No later than 30 days following the Closing Date, Purchaser shall deliver to the Vendors a written statement (the “**Post-Closing Statement**”) setting forth Purchaser’s good faith determination of (i) Total Actual Revenue, and (ii) Target Accounts Receivable. Within 15 days of the Vendors’ receipt of the Post-Closing

Statement, the Vendors must notify Purchaser in writing if it objects to any of the amounts or calculations in the Post-Closing Statement and identify the objectionable amounts or calculations in its written notice to the Purchaser. The Purchaser and the Vendors shall cooperate in a diligent good faith manner to resolve such objections as soon as possible after the Purchaser's receipt of the Vendors' objections, but not later than 30 days after the Vendors' receipt of the Post-Closing Statement, and the Post-Closing Statement shall be adjusted to reflect any changes agreed to by the Purchaser and the Vendors. In the event of an unresolved dispute regarding the Post-Closing Statement, the Parties shall utilize the dispute resolution procedure set forth in Section 3.8 as the exclusive mechanism to resolve such dispute.

- (d) Following delivery and agreement, or a determination by the Accounting Referee in accordance with Section 3.8 below with respect to the Post-Closing Statement:
- (i) in the event that the aggregate adjustments to the Base Purchase Price pursuant to the Post-Closing Statement result in a Purchase Price that is greater than the Purchase Price paid at Closing, Purchaser shall pay such difference to the Monitor by wire transfer of immediately available funds within ten days following finalization of the Post-Closing Statement; or
  - (ii) in the event that the aggregate adjustments to the Base Purchase Price pursuant to the Post-Closing Statement result in a Purchase Price that is less than the Purchase Price paid at Closing, the Monitor shall pay such difference to Purchaser by wire transfer of immediately available funds within ten days following finalization of the Post-Closing Statement.

### **Section 3.8 Dispute Resolution Procedure**

In the event the Parties are unable to agree upon the Post-Closing Statement, such dispute shall be submitted to, and all issues having a bearing on such dispute shall, subject to any order of the Court, be resolved by the Accounting Referee, in consultation with the Monitor. In resolving any such dispute, the Accounting Referee shall consider only those items or amounts in disagreement. Unless otherwise ordered by the Court, the Accounting Referee's determination of any of the matters set forth above shall be final and binding on the parties to this Agreement. The Accounting Referee shall use commercially reasonable efforts to complete its work within thirty (30) days following its engagement. All fees and expenses of the Accounting Referee shall be borne equally by Purchaser, on the one hand, and the Vendors on the other hand.

## **ARTICLE 4 EMPLOYEE MATTERS**

### **Section 4.1 Offer to Employees.**

- (1) The Purchaser may in its sole and absolute discretion offer employment, conditional on Closing and effective as of the Closing Time, to any or all active and inactive Employees

in accordance with this Section 4.1 (collectively, the “**Offered Employees**”) on or before the date the Approval and Vesting Order is obtained and each such offer will be on terms and conditions required by Applicable Law.

- (2) The Vendors shall not attempt in any way to discourage any of the Offered Employees from accepting the offer of employment made by the Purchaser.

#### **Section 4.2 Employee Plans.**

To the knowledge of the Vendors: (i) no event has occurred and there exists no condition or set of circumstances in connection with which the Vendors, the Business or the Purchaser could be subject to any material liability under the terms of any Employee Plan, ERISA or the Code; (ii) each of the Employee Plans (and each related trust or insurance contract) has been operated and administered in all material respects in accordance with Applicable Law and administrative or governmental rules and regulations, including ERISA and the Code.

#### **Section 4.3 Employee Liability.**

Without limiting the Purchaser’s obligations in respect of those Offered Employees who accept the Purchaser’s offer of employment (the “**Transferred Employees**”), the Purchaser shall be responsible for:

- (a) All liabilities (whether accrued or not) for salary, wages, bonuses, commissions, and other compensation relating to employment of all Transferred Employees, for the period after the Closing Time;
- (b) All liabilities (whether accrued or not) for vacation pay of all Transferred Employees, whether relating to any period before or after the Closing Time;
- (c) All severance payments, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee after the Closing Time;
- (d) All liabilities for Claims for injury, disability, death or workers’ compensation arising from or related to employment of the Transferred Employees arising after the Closing Time; and
- (e) All employment-related Claims, penalties and assessments in respect of the Business (but, for greater clarity, excluding with respect to such amounts related to any Employees or former Employees who are not Transferred Employees) arising out of matters which occur after the Closing Time.



**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES**

**Section 5.1 Purchaser's Representations**

The Purchaser represents and warrants to the Vendors as of the date hereof and as of the Closing Time that and acknowledges that the Vendors is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) The Purchaser is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation and has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder.
- (b) All necessary corporate action has been taken by the Purchaser to authorize the execution and delivery by it of, and the performance of its obligations under, this Agreement.
- (c) The Purchaser has or will have made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the Purchase Price as set forth in Section 3.2.
- (d) The Purchaser is either not a non-Canadian or is controlled by a WTO investor, each within the meaning of the Investment Canada Act.
- (e) The Purchaser, together with its affiliates (as the term "affiliate" is defined under the Competition Act), neither have assets in Canada with an aggregate value in excess of \$225 million nor aggregate gross revenues from sales in, from or into Canada in excess of \$225 million, all as determined in accordance with and for the purposes of subsection 109(1) of the Competition Act.

**Section 5.2 Vendors' Representations**

Each Vendor represents and warrants to the Purchaser as of the date hereof and as of the Closing Time as follows and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Each Vendor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation.
- (b) Each Vendor has provided the Purchaser with true and complete copies of all Benefit Plans relating to employees of the Business. Such Vendor does not and has never sponsored or participated in a "registered pension plan" as such term is defined in the Income Tax Act.

- (c) Subject to obtaining the Approval and Vesting Order and, if applicable, the Assignment Orders, each Vendor has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder.
- (d) The Vendors, together with their affiliates (as the term "affiliate" is defined under the Competition Act), neither have assets in Canada with an aggregate value in excess of \$175 million nor aggregate gross revenues from sales in, from or into Canada in excess of \$175 million, all as determined in accordance with and for the purposes of subsection 109(1) of the Competition Act.
- (e) In respect of the Purchased Assets and related business in Canada, no Required Approvals are required to complete the transactions contemplated herein, including pursuant to the Competition Act and the Investment Canada Act, other than obtaining the Orders referenced in Section 5.2(c) above.
- (f) Each Vendor has good and marketable title to the Purchased Assets that it owns.

### **Section 5.3 Limitations**

With the exception of the Vendors' representations and warranties in Section 5.2 and the Purchaser's representations and warranties in Section 5.1, neither the Vendors nor the Purchaser, or their respective Representatives, nor any of their respective officers, directors or Employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Vendors, the Purchaser, or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

## **ARTICLE 6 COVENANTS**

### **Section 6.1 Conduct of Business in the Ordinary Course**

- (1) Each Vendor shall use commercially reasonable efforts to conduct the Business in the Ordinary Course of Business, except to the extent required to allow any Vendor to comply with its obligations under this Agreement, subject in all cases to any limitation imposed by being subject to CCAA Proceedings, the chapter 15 Proceedings and any order of the Court or the U.S. Court.
- (2) Without limiting the generality of Section 6.1(1) and subject to any order of the Court or the U.S. Court, each Vendor shall use its commercially reasonable efforts to:
  - (a) remain in possession of the Purchased Assets until Closing, use the Purchased Assets only in the Ordinary Course of Business and maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the Ordinary Course of Business;

- (b) not dispose of any of the Purchased Assets;
  - (c) not acquire or agree to acquire any material additional assets for the operation of the Business;
  - (d) not amend in any material respect or in a manner outside the ordinary course of business any Assumed Contract or waive any material rights thereunder, or disclaim any Essential Contract without the consent of the Purchaser, not to be unreasonably withheld or delayed; and
  - (e) not enter into any material contract or other material written agreement in respect of any of the Purchased Assets other than in the Ordinary Course of Business; except, in each case, with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, or an order of the Court, and provided that such consent of the Purchaser shall be deemed to have been given with respect to any request for such a consent to which the Purchaser fails to respond within two Business Days after such request is made.
- (3) No Vendor will, except as required by Applicable Law, change recurring rates, non-recurring rates, promotions, sales incentives, commission plans, accounting policies, credit policies or collection procedures, in each case without the prior written consent of Purchaser or an order of the Court.

### **Section 6.2 Actions to Satisfy Closing Conditions**

- (1) Each Vendor agrees to take all such actions as are within its power to control and shall use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 7.1 and Section 7.3.
- (2) The Purchaser agrees to take all such actions as are within its power to control and shall use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 7.2 and Section 7.3.

### **Section 6.3 Access Rights**

Upon reasonable prior notice by the Purchaser to the Vendors and at any time prior to the Closing Date, the Purchaser may have reasonable access to the Purchased Assets and Employees during normal business hours and in each case prior to Closing for the purpose of enabling the Purchaser to conduct such inspections of the Purchased Assets as it deems appropriate, acting reasonably. Such inspection shall only be conducted in the presence of a representative of the Vendors, if so required at the discretion of the Vendors. The Purchaser agrees to indemnify and save the Vendors and its Representatives harmless from and against all Claims incurred or arising from or in any way directly related to physical harm to property or people caused by the Purchaser's inspection of the Purchased Assets or the attendance of the Purchaser, its employees or agents at properties comprising part of the Purchased Assets or at

which any of the Purchased Assets are situate. For greater certainty, other than a breach or violation of this Agreement by any Vendor, the Vendors shall not be responsible to indemnify and save the Purchaser harmless from or against the findings of the Purchaser's inspection.

#### **Section 6.4 Regulatory Approvals**

- (1) From the date hereof until the earlier of (i) the date all Required Approvals have been obtained and (ii) the date that is six months after the date hereof, each Vendor shall cooperate with the Purchaser and use commercially reasonable efforts to render all necessary and reasonable assistance required by the Purchaser in connection with any application, notification or filing of the Purchaser in connection with the Transaction or for the purposes of obtaining any Required Approval, or any registration or certification of the Canadian Radio-television and Telecommunications Commission required to allow the Purchaser to continue to provide services to the acquired customers on substantially the same terms as they were provided by the Vendors prior to Closing. In addition, without limiting the foregoing, prior to the Closing the Vendors shall use commercially reasonable efforts to obtain a comfort letter or other communication from the Canadian Radio-television and Telecommunications Commission as to whether the Purchaser may use, on an interim basis, Primus Telecommunications Canada Inc.'s status as a "Competitive Local Exchange Carrier", until the Purchaser obtains such status after Closing.
- (2) The Purchaser shall cooperate with the Vendors and use commercially reasonable efforts to render all necessary and reasonable assistance required by the Vendors in connection with any application, notification or filing of the Purchaser in connection with the Transaction or for the purposes of obtaining any Required Approval, including any necessary authorizations to make any necessary filings with the FCC or any State PUC, or any registration or certification of the Canadian Radio-television and Telecommunications Commission required to allow the Purchaser to continue to provide services to the acquired customers on substantially the same terms as they were provided by the Vendors prior to the Closing. The Purchaser's obligations under this Section 6.4(1) shall survive the Closing.
- (3) The Purchaser shall use its commercially reasonable efforts to obtain, as quickly as possible after the date of this Agreement all Required Approvals from the FCC and each State PUC. Without limiting the generality of the foregoing, the Purchaser shall file its applications for the Required Approvals from the FCC and from the State PUCs for California, Florida, New York and Texas within 14 days after the date of the Initial Order and shall file its applications for the Required Approvals from rest of the State PUCs within 30 days after the date of the Initial Order.
- (4) The Purchaser shall use its commercially reasonable efforts to obtain, as quickly as possible following the date of this Agreement, "Competitive Local Exchange Carrier" status from the Canadian Radio-television and Telecommunications Commission. The Purchaser's obligations under this Section 6.4(2) shall survive the Closing. Without

limiting the generality of the foregoing, the Purchaser shall file its application for such status within 14 days after the date of the Initial Order.

### **Section 6.5 CCAA**

- (1) As promptly as practicable after execution of this Agreement, the Vendors shall: (i) file motions for the issuances of the Initial CCAA Order, the Approval and Vesting Order and the Assignment Orders, respectively; and (ii) serve such parties as the Court requires for the motion seeking the issuance of the Approval and Vesting Order and the Assignment Orders, and will consult with the Purchaser regarding the parties to be so served.
- (2) The Vendors shall ensure that all motion materials and form of Approval and Vesting Order and for of Assignment Orders are provided sufficiently in advance to the Purchaser for review and comment.
- (3) In the event that the Court orders that a post-filing sale process be conducted by the Vendors, subject to the Purchaser's termination right pursuant to Section 8.6, in the event that the Purchaser in its sole discretion is willing to do so, the Vender agree that this Agreement shall serve as the stalking horse offer for any such sale process, pursuant to sales procedures in form and substance acceptable to the Purchaser acting reasonably, including with respect to customary stalking horse protections for the Purchaser (including, without limitation, a 3% break-up fee to be paid to the Purchaser solely from the proceeds of any overbid).

### **Section 6.6 Confidentiality**

In addition to the obligations under the non-disclosure agreement between the Vendors and the Purchaser dated September 15, 2015, as amended, the Parties shall keep confidential and shall not disclose to any other Person the existence or terms of this Agreement except with the prior written consent of the other Party, not to be unreasonably withheld, provided that the Vendors may disclose this Agreement to the Court, and to its secured lenders, and as otherwise may be required under the CCAA, in connection with filing and obtaining the Approval and Vesting Order or the Assignment Order, as may be required by the U.S. Court in connection with the chapter 15 Proceedings, as required by the FCC or any State PUC in connection with any Required Approval or as otherwise may be required by the Court or the U.S. Court. Until the Initial Order has been granted, the Purchaser shall not, directly or indirectly, solicit, correspond with or otherwise communicate with any party to any Assumed Contract (other than the Vendors) without the prior written consent of the Vendors in respect of any issues relating to the Vendors, the Purchased Assets or any of the transactions contemplated by this Agreement. After the Initial Order has been granted, the Purchaser may communicate with any party to any Assumed Contract (other than the Vendor) in accordance with Section 2.3(3).

**Section 6.7 Customer Notices**

Each Vendor will work together with Purchaser to send a joint letter to all customers affected by the Transaction at or before Closing, the costs and expenses of which shall be shared equally by the Vendors, on the one hand, and Purchaser, on the other hand.

**Section 6.8 Data Migration**

Each Vendor shall use commercially reasonable efforts to cooperate with Purchaser to migrate all data related to the Purchased Assets into the Purchaser's BSS and OSS systems, to Purchaser's satisfaction, such that such data is migrated upon the Closing.

**Section 6.9 Redesignation**

Each Vendor will use commercially reasonable efforts to work together with Purchaser to redesignate or transfer to the extent applicable and only with respect to the Business pertaining to U.S. and Puerto Rico customers, such Vendor's customers and network services to contracts of Purchaser such that such customers and network services, to the extent applicable, are redesignated upon the Closing.

**ARTICLE 7  
CONDITIONS PRECEDENT**

**Section 7.1 Conditions Precedent in favour of the Purchaser**

- (1) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:
  - (a) all representations and warranties of the Vendors contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
  - (b) the Vendors shall have performed, in all material respects, each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 8.3;
  - (c) the Purchaser shall have received at or before the Closing Time duly executed copies of the documents listed in Section 8.3;
  - (d) the Vendors shall, as of the Closing Time, have given those notices or obtain those consents, approvals or waivers required for the assignment of the Essential Contracts or such Essential Contracts shall have been assigned pursuant to the Approval and Vesting Order or an Assignment Order subject to the payment of Cure Costs by the Purchaser and the Vendors shall not be in breach should the Purchaser fail to pay such Cure Costs;

- (e) all stays of proceedings contained in the Initial Order shall have remained in effect as at the Closing Time except where any such stay is terminated or lifted or amended in a manner which is not prejudicial to the Purchaser or which does not adversely affect the Purchaser's rights under this Agreement or the Purchased Assets and the Initial Order has not been amended or modified in any manner prejudicial to the Purchaser as at the Closing Time;
  - (f) the Purchaser shall have received, at or before the Closing Time duly executed copies of the documents listed in Section 8.3;
  - (g) the Purchaser shall have obtained "**Competitive Local Exchange Carrier**" status with the Canadian Radio-television and Telecommunications Commission in those exchanges where Primus Telecommunications Canada Inc. has such status, or the Canadian Radio-television and Telecommunications Commission shall have provided to the Purchaser a comfort letter or other written communication prior to Closing confirming the Purchaser may, without any material condition or restriction, use, on an interim basis, Primus Telecommunications Canada Inc.'s status in those exchanges as a "**Competitive Local Exchange Carrier**" in the Purchaser's operation of the Business until the Purchaser obtains such status after Closing (in which case the Parties hereto shall amend the form of the Management Agreement such that it provides for such a license to the Purchaser in form and substance acceptable to the Parties, acting reasonably); and
  - (h) the Purchaser shall have obtained all Required Approvals required by a Governmental Authority in Canada or any province or territory thereof, other than as contemplated by Section 7.1(1)(g), which the Purchaser has advised the Vendors of in writing (which notice shall be provided by the Purchaser as soon as possible after the date of this Agreement); provided that this condition (h) shall be deemed to have been waived at the close of business on January 29, 2016 other than for Required Approvals for which notice has been received as above by the Purchaser by the close of business on January 29, 2016.
- (2) The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in Section 7.1(1) may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. The Purchaser may elect on written notice to the Vendors to terminate this Agreement at any time after 5:00 p.m. eastern time on the Outside Date if any condition in Section 7.1(1) has not been satisfied as at such time (other than a condition which, by its nature, can only be satisfied at the Closing) and satisfaction of such condition has not been waived by the Purchaser.

## **Section 7.2 Conditions Precedent in favour of the Vendors**

- (1) The obligation of the Vendors to complete the Transaction is subject to the following conditions being fulfilled or performed:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date;
  - (b) the Purchaser shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 8.2; and
  - (c) the Vendors shall have received at or before the Closing Time duly executed copies of the documents listed in Section 8.2.
- (2) The foregoing conditions are for the exclusive benefit of the Vendors. Any condition in Section 7.2(1) may be waived by the Vendors, in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. The Vendors may elect on written notice to the Purchaser to terminate this Agreement at any time after 5:00 p.m. eastern time on the Outside Date if any condition in Section 7.2(1) has not been satisfied as at such time (other than a condition which, by its nature, can only be satisfied at the Closing) and satisfaction of such condition has not been waived by the Vendors and the Monitor.

**Section 7.3 Conditions Precedent in favour of both the Purchaser and the Vendor**

- (1) The obligations of the Vendors and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:
- (a) the Approval and Vesting Order shall have been obtained and is final and shall not have been stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal;
  - (b) the U.S. Recognition Order shall have been obtained and is final and shall not have been stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal;
  - (c) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction;
  - (d) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (2) The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendors and the Purchaser. Either Party may elect on written notice to the other of them and the Monitor to terminate this Agreement at any time after 5:00 p.m. eastern



time on the Outside Date if any condition in Section 7.3(1) is not satisfied as at such time (other than a condition which, by its nature, can only be satisfied at Closing) and satisfaction of such condition has not been waived by both Parties.

## **ARTICLE 8 CLOSING**

### **Section 8.1 Closing**

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9, or as otherwise determined by mutual agreement of the Parties in writing and the Parties shall exercise commercially reasonable efforts to cause Closing to occur at the Closing Time and, in any event, prior to the Outside Date.

### **Section 8.2 Purchaser's Deliveries on Closing**

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Vendors the following, each of which shall be in form and substance satisfactory to the Vendors, acting reasonably:

- (a) the Closing Cash Payment in accordance with Section 3.2(b);
- (b) payment of Transfer Taxes required by Applicable Law to be collected by any Vendors;
- (c) the election(s) referred to in Section 3.5 and Section 3.6(c) executed by the Purchaser;
- (d) evidence of payment of all Cure Costs;
- (e) a written direction to the Escrow Agent instructing the Escrow Agent to release Deposit to the Vendors in accordance with the Escrow Agreement;
- (f) an assumption agreement evidencing the assumption by the Purchaser of the Assumed Obligations (other than in respect of Assumed Contracts);
- (g) an assignment and assumption agreement evidencing the assignment to the Purchaser, and assumption by the Purchaser, of Assumed Obligations with respect to (i) all Assumed Contracts which are not Consent Required Contracts and (ii) all Consent Required Contracts for which any required consent, approval or waiver to the assignment, or Assignment Orders, thereof has been obtained;
- (h) an assignment agreement evidencing the assumption by the Purchaser of all Purchased Intellectual Property;
- (i) the Management Agreement;

- (j) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time; and
- (k) such further and other documentation as is referred to in this Agreement or as the Vendors may reasonably require to give effect to this Agreement.

### **Section 8.3 Vendors' Deliveries on Closing**

At or before the Closing Time, the Vendors shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;
- (b) a copy of the Approval and Vesting Order that has been issued and entered, is final and shall not have been stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal;
- (c) a copy of the U.S. Recognition Order has been issued and entered, is final and shall not have been stayed or varied in a manner prejudicial to the Purchaser, or vacated or appealed, unless the Purchaser has provided written consent that Closing occur despite such appeal;
- (d) a written direction to the Escrow Agent instructing the Escrow Agent to release Deposit to the Vendors in accordance with the Escrow Agreement;
- (e) an assignment and assumption agreement evidencing the assignment to the Purchaser, and assumption by the Purchaser, of (i) all Assumed Contracts which are not Consent Required Contracts and (ii) all Consent Required Contracts for which any required consent, approval or waiver to the assignment, or Assignment Orders, thereof has been obtained;
- (f) an assignment agreement evidencing the assumption by the Purchaser of all Purchased Intellectual Property;
- (g) a true and complete copy of all Assignment Orders, if any, entered by the Court and, if applicable, the U.S. Court;
- (h) a certificate dated as of the Closing Date confirming that all of the representations and warranties of each Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as

though made at and as of the Closing Time, and that each Vendor has performed in all material respects the covenants to be performed by them prior to the Closing Time;

- (i) the election(s) referred to in Section 3.5 and Section 3.6(c) executed by the applicable Vendor;
- (j) the executed Monitor's Certificate;
- (k) the Management Agreement;
- (l) such other necessary deeds, conveyances, assurances, transfers and assignments and any other instruments necessary to transfer the Purchased Assets to the Purchaser; and
- (m) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

#### **Section 8.4 Possession of Assets**

- (1) On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing. The Purchaser acknowledges that the Vendors have no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or set over to the Purchaser until the conditions set out in the Approval and Vesting Order have been satisfied and the Purchaser has satisfied all delivery requirements outlined in Section 8.2. The Purchaser shall promptly notify the Vendors of any Excluded Assets which may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Vendors, or to such other Person as the Vendors may direct in writing and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets.
- (2) The Purchased Assets shall be and remain until Closing at the risk of the Vendors. In the event of material damage by fire or other hazard to the Purchased Assets or any material part thereof occurring before the Closing Date, the Vendors shall immediately advise the Purchaser thereof by notice in writing. Notwithstanding the occurrence of any of the foregoing, the Purchaser shall complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price and the proceeds of any insurance available or actually paid or payable to the Vendors, to a maximum of that portion of the Purchase Price allocated in Schedule F for the Purchased Assets which are so damaged, shall be paid or assigned, as the case may be, to the Purchaser.

**Section 8.5 Dispute Resolution**

If any dispute arises with respect to any matter related to the Transaction or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

**Section 8.6 Termination**

- (1) This Agreement shall automatically terminate at any time prior to the Closing Time by mutual written agreement of the Vendors and the Purchaser and on consent of the Monitor.
- (2) This Agreement may be terminated at any time prior to the Closing Time upon the occurrence of any of the following:
  - (a) a condition precedent in favour of a Party has not been satisfied or waived by such Party pursuant to and in accordance with Article 7 and such Party otherwise entitled to terminate this Agreement as a result thereof has delivered written notice of termination pursuant to Article 7 (provided that the terminating Party has not failed to satisfy a closing condition under or otherwise breached this Agreement);
  - (b) by the Purchaser if the Court orders a post-filing sale process and the Purchaser, in its sole and absolute discretion, elects not to have this Agreement serve as the stalking horse offer for such sale process;
  - (c) Closing shall not have occurred on or prior to the Outside Date in accordance with Section 7.3 and any of the Parties shall have delivered written notice of termination to the other Parties terminating this Agreement as a result thereof (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement);
  - (d) by the Vendors upon notice to the Purchaser if a material breach by the Purchaser of its obligations under this Agreement has occurred (including without limitation any action or inaction by Purchaser contrary to its obligations hereunder as reasonably necessary to cause the fulfillment of the conditions to closing in favour of Vendors) and Purchaser has failed to cure such breach within 20 days after receipt of written notice thereof; or
  - (e) by the Purchaser upon notice to the Vendors if a material breach by a Vendor of its obligations under this Agreement has occurred (including without limitation any action or inaction by a Vendor contrary to its obligations hereunder as reasonably necessary to cause the fulfillment of the conditions to closing in favour of Purchaser) and any of the Vendors has failed to cure such breach within 20 days after receipt of written notice thereof.

### **Section 8.7 Effects of Termination and Closing**

- (1) If this Agreement is terminated pursuant to Section 8.6, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of: (i) Section 3.3 (Deposit); and (ii) this Section 8.7 (Effects of Termination and Closing), each of which will survive termination.
- (2) If this Agreement is terminated by the Vendors pursuant Section 8.6(2)(d), then the Deposit shall be forfeited to the Vendors in accordance with Section 3.3 (Deposit), as liquidated damages, and not as penalty, and the Vendors shall have no other rights and remedies against the Purchaser available at law or in equity.
- (3) Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

## **ARTICLE 9 GENERAL**

### **Section 9.1 Access to Books and Records**

- (1) For a period of three years from the Closing Date or for such longer period as may be reasonably required for the Vendors to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement and subject to Section 9.1(2), the Vendors (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendors, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.
- (2) If the Vendors or its Affiliates are engaged in any business that competes, directly or indirectly, with the business carried on by Purchaser, then the Purchaser shall only be required to provide the right to inspect as contemplated in Section 9.1(1) to the Vendors if the sole purpose is of evaluating or preparing any of its tax returns, the sale of the remaining assets of the Vendors, in respect of any third party claim against such Person or in connection with any bankruptcy and insolvency proceeding. For greater certainty, the right of the Monitor, any former director or officer or any trustee in bankruptcy of the estate of the Vendors to inspect Books and Records and make copies thereof shall not be restricted under this Section 9.1(2).

**Section 9.2 Notice**

(1) Any notice or other communication under this Agreement shall be in writing and may be delivered personally, by courier or by email, addressed:

(a) in the case of the Purchaser, as follows:

Birch Communications, Inc.  
3060 Peachtree Road, NW  
Suite 1065  
Atlanta, Georgia 30305  
Attn: Vincent M. Oddo  
Email: vincent.oddo@Birch.com

with a copy to:

Jones Day  
1420 Peachtree Street, NE  
Suite 800  
Atlanta, Georgia 30309  
Attn: William B. Rowland  
Email: wbrowland@jonesday.com

(b) in the case of any Vendor, as follows:

c/o FTI Consulting Canada Inc.  
TD South Tower.  
79 Wellington Street West  
Toronto Dominion Centre, Suite 2010  
Toronto, ON M5K 1G8

Attention: Nigel Meakin

Email: nigel.meakin@fticonsulting.com

with a copy to:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

**Attention:** Samantha Horn

Email: sghorn@stikeman.com

- (c) in each case, with a further copy to the Monitor, as follows:

FTI Consulting Canada Inc.  
TD South Tower  
79 Wellington Street West  
Toronto Dominion Centre, Suite 2010  
Toronto, ON M5K 1G8

**Attention:** Nigel Meakin  
Email: nigel.meakin@fticonsulting.com

with a copy to:

Blake, Cassels & Graydon LLP  
Suite 4000, Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9

**Attention:** Linc Rogers  
Email: linc.rogers@blakes.com

- (2) Any such notice or other communication, if given by personal delivery or by courier, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.
- (3) Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

### **Section 9.3 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendors and the Purchaser.

### **Section 9.4 Survival**

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

**Section 9.5 Announcements**

No press release, public statement or announcement or other public disclosure (a “**Public Statement**”) with respect to this Agreement or the transactions contemplated in this Agreement may be made prior to the Initial Order having been granted except with the prior written consent and joint approval of the Vendors and the Purchaser with a copy of such Public Statement being provided to the Monitor in advance.

**Section 9.6 Personal Information**

Purchaser hereby acknowledges that it is aware, and that it will advise its Representatives, that privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada), applies to certain information that may be disclosed to the Purchaser and its Representatives pursuant to this Agreement and/or the Transaction. The Purchaser agrees to comply, and cause its Representatives to comply, with such privacy legislation in connection with any such information disclosed to it or any of them. To the extent that any personally identifiable information of any customers is transferred from a Vendor to the Purchaser prior to the filing of the Initial Order, the Purchaser agrees to abide by the Vendors’ privacy policy with respect to such personally identifiable information.

**Section 9.7 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as otherwise provided in Section 3.6(b), Section 6.3 and Section 9.11, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and, except for the Indemnified Parties, no Person other than the Parties and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Vendors acknowledge to each of the Purchaser’s Indemnified Parties their direct rights against it under Section 9.11 of this Agreement and the Purchaser acknowledges to each of the Vendors’ Indemnified Parties their direct rights against it under Section 3.6(b), Section 6.3 and Section 9.11 of this Agreement. To the extent required by law to give full effect to these direct rights, the Vendors and the Purchaser each agree and acknowledge that it is acting as agent and/or as trustee of its Indemnified Parties. The Parties reserve their right to vary or rescind the rights, granted by or under this Agreement to any Person who is not a Party, at any time and in any way whatsoever, without notice to or consent of that Person, including any Indemnified Party.

**Section 9.8 Entire Agreement**

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.



**Section 9.9 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

**Section 9.10 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**Section 9.11 Commission**

The Purchaser agrees to indemnify each Vendor and its Representatives against any claim for compensation or commission by any third party or agent retained by the Purchaser in connection with, or in contemplation of, the Transaction and the Vendors shall indemnify the Purchaser and its Representatives for any third party or agent or broker fees or other commissions payable by the Vendors on the Purchase Price or otherwise in connection with the Transaction.

**Section 9.12 Assignment by Purchaser**

This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendors, which consent may be withheld in the Vendors' sole and absolute discretion; provided, however that the Purchaser shall be permitted to assign the benefit of all or a portion of this Agreement prior to the issuance of the Approval and Vesting Order to an Affiliate thereof in circumstances where (i) prior notice of such assignment is provided to the Vendors, (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment, and (iii) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendors and the Purchaser shall acknowledge and confirm their continuing obligations and liabilities in favour of the Vendors in form and substance satisfactory to the Vendors; for greater certainty, the Purchaser shall be permitted to assign the right to buy all or a portion of the Purchased Assets to one or more Affiliates and such assignment shall be permitted so long as the requirements of this Section 9.12 are complied with. The Parties acknowledge and agree that a Canadian Affiliate of Purchaser will acquire all of the Purchased Assets located in Canada or used in carrying out the Business in Canada. This Agreement may not be assigned by the Vendors without the consent of the Purchaser.

**Section 9.13 Further Assurances**

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

**Section 9.14 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**Section 9.15 Severability**

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein, other than those contained in Section 3.1, Section 3.6 or Article 8, is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

**Section 9.16 Monitor's Certificate**

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no liability to the Parties in connection therewith. The Parties further acknowledge and agree that (i) upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived (other than the payments contemplated in Section 3.2 and the delivery of the executed Monitor's Certificate), the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation of receipt of the payments contemplated in Section 3.2 to be delivered to it, and (ii) upon the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

**Section 9.17 Monitor's Capacity**


The Vendors and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Vendors, will have no liability, in its personal capacity or otherwise, in connection with this Agreement whatsoever as Monitor.

**[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]**

IN WITNESS WHEREOF, the Parties have executed this Agreement.

PURCHASER:

**BIRCH COMMUNICATIONS, INC.**

By:   
Name: Vincent M. Oddo  
Title: President & CEO

VENDORS:

**PRIMUS TELECOMMUNICATIONS  
CANADA INC.**

By: \_\_\_\_\_  
Name:  
Title:

**PRIMUS TELECOMMUNICATIONS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**LINGO, INC.**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the Parties have executed this Agreement.

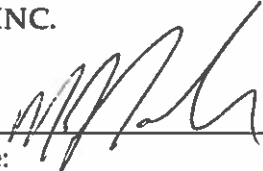
PURCHASER:

**BIRCH COMMUNICATIONS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

VENDORS:

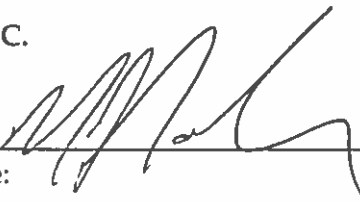
**PRIMUS TELECOMMUNICATIONS  
CANADA INC.**

By:  \_\_\_\_\_  
Name:  
Title:

**PRIMUS TELECOMMUNICATIONS, INC.**

By:  \_\_\_\_\_  
Name:  
Title:

**LINGO, INC.**

By:  \_\_\_\_\_  
Name:  
Title:

**Schedule A – Purchased Assets**

- (1) all movable property, leasehold improvements and equipment, furniture, fixtures, computer hardware network equipment, inventory and other fixed assets (excluding those that are subject to capital leases that are not Assumed Contracts);
- (2) all Books and Records;
- (3) all inventory used in the carrying on of the Business, including all wireless phones and devices, modems, IAD's, VoIP phones and similar equipment located at customer premises or Vendor's facilities, and all other finished goods and goods in transit to be sold or leased to customers in the operation of the Business;
- (4) all vehicles owned or used in the operation of the Business;
- (5) all BSS and OSS systems and data related thereto;
- (6) the benefit of the Assumed Contracts;
- (7) all Accounts Receivable and Unbilled Revenue (including all checks and other forms of customer payments received by any Vendor following Closing);
- (8) all prepaid expenses to the extent necessary for the operation of the Business from and after the Closing;
- (9) all supplies owned and used in connection with the Business;
- (10) all Purchased Intellectual Property;
- (11) all customer and CABS accounts and the relationship associated therewith, including all contracts and other rights to provide telecom services to such customers, customer guarantees, customer notes, security agreements, financing statements under applicable personal property security legislation, customer deposits or collateral, filings or property securing customer obligations;
- (12) all government licenses, approvals, permits or similar used in connection with the Business, to the extent transferable;
- (13) all goodwill associated with the Business or the Purchased Assets, including the right to carry on the Business;
- (14) all rights, claims, credits, causes of action or rights of set off against third parties relating to the Purchased Assets, including rights under vendors' and manufacturers' warranties, indemnities and guarantees;
- (15) for greater clarity, all assets of Primus Telecommunications, Inc. and Lingo, Inc.; and
- (16) Any assignable or transferrable license, permit, or other authorization issued by the FCC or a State PUC and necessary for the Purchaser to operate the Business after Closing.

### Schedule B – Essential Contracts

In addition to the contracts listed below, “Essential Contracts” includes any master agreement into which any contract listed below is incorporated by reference, and any other (i) interconnection agreements with local exchange carriers and interexchange carriers in Canada, and (ii) 911 service agreements and message relay service agreements with incumbent local exchange carriers in Canada to which Vendors are a party.

Ref.	Location/ Vender	Description
<b>Office Leases</b>		
5.3.1.3.3	Vancouver	Vancouver 555 W Hastings - Renewal Offer August 2012 - May 1, 2012 to Dec 31, 2017
5.3.1.4.1	151 Front	151 Front Street - Lease Amending Agreement - Sept 14, 2014 to Aug 31, 2019
5.3.1.8	New York	Primus Canada 60Hudson
5.3.1.1.2	Edmunston	Edmundston Lease Renewal Letter and Fully Executed Lease (Apr 1/14to Mar 31/17)
<b>Carrier Contracts</b>		
<b>Allstream</b>		
5.3.2.1.1	Allstream	Allstream Capacity IRU 2000
5.3.2.1.2	Allstream	Allstream Capacity IRU Addendum 2013
5.3.2.1.3	Allstream	Allstream LOI Memo 2012
5.3.2.1.8	Allstream	Allstream 2 5G SWON ring
5.3.2.10.11	Allstream	Allstream Primus Executed Outbound SIP Contracts
5.3.2.10.12	Allstream	Inbound SIP - 201504
5.3.7.1.2	Allstream	MWA Addendum_Hash_1 Oct2004
5.3.7.1.3	Allstream	MWA Addendum_Hash_2 July2006
5.3.7.1.4	Allstream	MWA Addendum_Hash_3 Oct2007
5.3.7.1.5	Allstream	MWA Addendum_Hash_4 Oct2009
5.3.7.1.6	Allstream	Original MWA 2001
5.3.7.1.7	Allstream	Sch5 International LD 200701
5.3.7.3	Allstream	TPO Quote - Primus - 205 5 Ave SW new 503K cage (v2 120601).xls
	Allstream	Master Agreement for CLEC-IXC Interconnection
	Allstream	GCC - Interconnection Agreement for the Provision of 911 Service to a CLEC_MTS Allstream_070705
	Allstream	GCC - Master Agreement for Local Network Interconnection_Allstream_120403
<b>Bell</b>		
5.3.2.2.4	Bell Canada	2105 Ignite_Primus - Bell
5.3.2.2.5	Bell Canada	Bell 2.5G Toronto - Windsor 20111202_executed

5.3.2.2.6	Bell Canada	Bell 10Gs Toronto-NYC
5.3.2.2.7	Bell Canada	Bell DS1 Toronto-Oakville for 911 20130228
5.3.2.2.8	Bell Canada	Bell DS3 Barrie 1-292430451-223 20111014 executed
5.3.2.2.9	Bell Canada	Bell EIP augments 20140905
5.3.2.2.10	Bell Canada	Bell FTTN resale - 2015 Ignite_Primus - Bell Signed
5.3.2.2.11	Bell Canada	Bell GigE ENNI Ottawa 20131106
5.3.2.2.12	Bell Canada	Bell GigE ENNI Toronto 20131106
5.3.2.2.13	Bell Canada	Bell GigE wave Dundas-Front 1-292430451-561
5.3.2.2.14	Bell Canada	Bell OC3 Pharmacy IntraExchange 20111024
5.3.2.2.17	Bell Canada	Bell Wholesale Digital Network Service FEB2013_executed Bell Wholesale Ethernet Connect Svc Schedule 10G AGAS TOR 1-4 201412
5.3.2.2.18	Bell Canada	
5.3.2.2.19	Bell Canada	Bell Wholesale GAS (IGNITE)
5.3.2.2.20	Bell Canada	GCC - Central Office License Agreement _Bell Canada_040805
5.3.2.2.21	Bell Canada	Primus - Net Gain Incentive Offer Letter - Feb 1st to Apr 30th
5.3.2.2.22	Bell Canada	Bell Altantic BWS Schedule Dec 18 2012
5.3.2.2.23	Bell Canada	Bell EIP augments - Phase 2
5.3.2.2.24	Bell Canada	Bell EIP augments - Phase 3
5.3.2.2.25	Bell Canada	Bell EIP augments 20140915
5.3.2.2.26	Bell Canada	Bell IP Relay and MRS svc MCAT124463-49_1_81028
5.3.2.10.1	Bell Canada	Primus - Net Gain Incentive Offer Letter - Feb 1st to Apr 30th
5.3.2.10.7	Bell Canada	1-334088971-13 BWS Maritimes 201504 exec
5.3.2.10.10	Bell Canada	2105 Ignite_Primus - Bell Signed
5.3.7.7	Bell Canada	2012-0259DC - Primus EIP Amendment 1 - Dec 19, 2012(executed) 2012-0259DC - Primus Settlement BWS (Maritimes) - 1-334088971- 11(executed)
5.3.7.8	Bell Canada	
5.3.7.9	Bell Canada	EIP 201109 executed
5.3.9.1	Bell Canada	Centrex Amendment_Hash_1
5.3.9.2	Bell Canada	PRIMUS-CENTREX LOC R2_signed
	Bell Canada	Master Agreement for CLEC-IXC Interconnection
	Bell Canada	GCC - Interconnection Agreement for the Provision of 911 Service to a CLEC_Bell Canada_062202
	Bell Canada	CRTC_Primus Telecommunications Canada Inc_Bell Canada MRS Agreement_cvrltr_27Sep13
	Bell Canada	Primus and Bell_MRS and IP Relay Contract_7Apr11_CONFIDENTIAL
	Bell Canada	GCC - Master Agreement for Local Network Interconnection + Sched C REVISED_Bell Canada_110804
	Bell Canada	GCC - Master Agreement for Local Network Interconnection + Sched C_Bell Canada_010103
	Bell Canada	GCC - Master Agreement for Local Network Interconnection + Sched C_Bell Canada_010103 - SIGNED
	Bell Canada	Local PAM 1-292430451-192 Primus Allstream migration-resi
	Bell Canada	Local PAM 1-292430451-193 Primus Allstream migration commercial
	Bell Canada	Local WLSF MCAT 124463-35 PES Resi

Bell Canada	Local RCM 1-292430451-100
Bell Canada	Local RCM 1-292430451-101
Bell Canada	Local RCM 1-292430451-174
Bell Canada	Local Business 1-292430451-371

**Other Network Agreements**

5.3.2.4.1	Other Network Agreements	382 Dialer Services Addendum
5.3.2.4.2	Other Network Agreements	382 Terminations Agreement
5.3.2.4.3	Other Network Agreements	Cogeco 2.5G Toronto to Windsor 20120319
5.3.2.4.4	Other Network Agreements	Cogent IP Transit Toronto _And_ Vancouver 201402
5.3.2.4.5	Other Network Agreements	Cogent IP Transit Toronto
5.3.2.4.6	Other Network Agreements	Cogent Vancouver x-connect
5.3.2.4.7	Other Network Agreements	Data Access Solutions Reciprocal Service Agreement 20120604 exec
5.3.2.4.8	Other Network Agreements	Equinix 10G PAIX 20130913
5.3.2.4.9	Other Network Agreements	Equinix 60Hudson space_And_power
5.3.2.4.10	Other Network Agreements	Fibernetics MSA
5.3.2.4.11	Other Network Agreements	IDT Service Agreement
5.3.2.4.12	Other Network Agreements	Iristel Inbound (DIDs) agreement 201304
5.3.2.4.13	Other Network Agreements	Iristel N11 service 201501
5.3.2.4.14	Other Network Agreements	Iristel Telecommunicaton Svcs Agreement (Toll) 20150127
5.3.2.4.15	Other Network Agreements	Navigata Colocation Service Schedule_Power
5.3.2.4.16	Other Network Agreements	Navigata Master Telecom Svcs Agmt 201010
5.3.2.4.17	Other Network Agreements	Phonetime Agreement
5.3.2.4.19	Other Network Agreements	Smartbox LD Agreement 20120430
5.3.2.4.20	Other Network Agreements	Telehouse NYIX 10G 201303 exec
5.3.2.4.21	Other Network Agreements	Teliasonera Signed Agreement
5.3.2.4.22	Other Network	US Matrix Agreement



	Agreements	
	Other Network	
5.3.2.4.23	Agreements	Uniserve WSA 20131011
	Other Network	
5.3.2.4.24	Agreements	Verizon - Advanced Toll Free (ATF) Standard Rates (04.2014)_539947
	Other Network	
5.3.2.4.25	Agreements	Verizon - WTSA
	Other Network	
5.3.2.4.26	Agreements	Verizon - WTSA addendum 20140516
	Other Network	
5.3.2.4.27	Agreements	Verizon - WTSA attachment for ATF 20140516 executed
	Other Network	
5.3.2.4.28	Agreements	Videotron Local Resell Agmt 20111024
	Other Network	
5.3.2.4.29	Agreements	Videotron PRI St.Nicolas 20111028
	Other Network	
5.3.2.4.30	Agreements	Videotron PRI Victoriaville 20111024
	Other Network	Agreement for Membership with the Canadian Local Number
	Agreements	Portability Consortium
	Other Network	GCC - Interconnection Agreement for the Provision of 911 Service to a
	Agreements	CLEC_SaskTel_112006

**Rogers**

5.3.2.5.1	Rogers	Rogers 10Gig TOM
5.3.2.5.2	Rogers	Rogers 10Mbps 8000 Jane - 151 Front
5.3.2.5.3	Rogers	Rogers DS3 Van-NewWest, Ham-St.Cath
5.3.2.5.4	Rogers	Rogers GigE NNI Toronto 20110915
5.3.2.5.5	Rogers	Rogers TPIA And CSG Agreement Executed
5.3.2.5.6	Rogers	Rogers TPIA 2nd GigE backhaul 201501
5.3.2.5.7	Rogers	Rogers TPIA 10Gig CNI
5.3.2.5.8	Rogers	Rogers TPIA Agreement Signed
5.3.2.5.9	Rogers	Rogers TPIA Application 201412 (2nd GigE)
5.3.2.5.10	Rogers	Rogers TPIA POI subsequent report 201412
5.3.2.5.11	Rogers	Cityfone Wireless - Primus Affinity April 2012
5.3.2.10.2	Rogers	Rogers IPVPN 1G EVPL Dundas-Front
5.3.2.10.3	Rogers	Rogers TPIA 10G wave to York Mills POI router 20150302
5.3.7.2	Rogers	Rogers TPIA _And_ CSG Agreement_executed
5.3.10.1	Rogers TSA	Transition Services Agreement -Rogers and Primus re Black Iron
5.3.10.3	Rogers TSA	Primus-Rogers TSA - Proposed Addendum draft 092915
		GCC - Master Agreement for Local Network
	Rogers	Interconnection_Rogers_021405

**Shaw**

5.3.2.6.1	Shaw	Shaw 10G wave Toronto to Chicago 201412
5.3.2.6.2	Shaw	Shaw IP Transit 201402 exec

5.3.2.6.3	Shaw	Shaw Private Line (2.5G Sea-Van-Edm-Tor) 20120516. executed
5.3.2.6.4	Shaw	Shaw TPIA EVPL 201402
5.3.2.6.5	Shaw	Shaw Vancouver ENNI 201407
5.3.2.6.6	Shaw	Shaw Wholesale Cable Gateway Service
5.3.2.10.8	Shaw	10G wave Toronto to Chicago 201412 exec
5.3.7.10	Shaw	IP Peering upgrade to 10G 201303 exec
5.3.7.11	Shaw	Primus Telecommunications Canada Inc dated Nov 16 2001 MSA

**Telus**

5.3.2.7.1	Telus	TELUS 10G CES NNI 20141008
5.3.2.7.2	Telus	TELUS 10G CES NNI SLA 20140825
5.3.2.7.4	Telus	TELUS Ethernet Access Svc Agmt 20141008 (2nd 1G AGAS)
5.3.2.7.5	Telus	TELUS LBL Amendment 2014_executed
5.3.2.7.6	Telus	TELUS Local Centrex Amendment 2014_executed
5.3.2.7.7	Telus	TELUS NNI_2006
5.3.2.7.8	Telus	TELUS PRI Agreement 200304
5.3.2.10.5	Telus	WSA Amendment 8 (CES Phase3) executed- 20150806
5.3.2.10.6	Telus	WSA Amendment 9 - 20150619 executed
5.3.7.5	Telus	Vancouver NNI EAS 20141008 (2nd 1G AGAS).
	Telus	Master Agreement for CLEC-IXC Interconnection
	Telus	GCC - Interconnection Agreement for the Provision of 911 Service to a CLEC_TELUS_04
	Telus	GCC - Interconnection Agreement for the Provision of 911 Service to a CLEC_TELUS_CVR_033104
	Telus	CRTC_Primus Telecommunications Canada Inc._TELUS MRS Agreement_cvrltr_27Sep13_CONFIDENTIAL
	Telus	Primus and TELUS_Definitive Agreement for Operator Services_1Nov05
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_Original_Sched C App 4_TELUS_083004
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_Original_Sched C App 5_TELUS_083004
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_Original_Sched C Revised App 2_TELUS_121906
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_Original_TELUS_070104
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_REVISIED LIR_Sched Cs_TELUS_070108
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_REVISIED LIR_TELUS_070108
	Telus	GCC - Master Agreement for Local Network Interconnection + Sched C_REVISIED TRANSIT_TELUS_070108
	Telus	Primus SMALI Sched C.TELUS.201412051437.FINAL
	Telus	Special MALI Schedule C_Telus_12.5.2014
	Telus	Special MALI_Telus_12.5.2014

**Contract Update From February to August 2015**

5.3.2.10.4	Iristel	Telecommunicaton Services Agreement (Toll) 20150127
5.3.2.10.9	Level 3	10M IPVPN Toronto to Carmel 20150326
5.3.2.10.13	Equinox	Lingo Chicago-IX 10G upgade
5.3.10.2	BID MSA	Blackiron Master Service Agreement_signed
5.3.10.4	PTCI MSA	PTCI Master Service Agreement_Final
	Northern	911 Agreement - February 2013
	Comtrust	LDDA - May 2005
	Excel Micro	Spam Filter June 2013
	Bell Canada	Unlimitel PRI # 261124987-3
	Neustar	MSA - October 22, 2009
	Premier Global	Conferencing - Amended September 2014
	Telus	DS1's to Rimouski & Ste Marie de Beauce November 2015

**Network and Systems Agreements**

5.3.3.1	SmartRG	Primus On-Prem SW Support Renewal for 2016 for 100K Subscribers License Block Oct132015
5.3.3.2	SmartRG	SmartRG - Support Services for Onsite Deployment Agreement - Primus - 20151013
5.3.4.2		Signed Oracle Agreement - Feb 27 2015
5.6.1	Allot	Allot Communications Invoice for PTCI011504
5.6.9	Genband	2015-16 GENBANDCare Renewal Proposal OP-0064770-GBC-01 Primus Jun9_15
	Long View	Various hardware support agreements with Long View
	Telcordia	Telcordia TPM License fees
	Vertex	Vertex - tax modules update
	Cisco	Cisco Smartnet
	Smart RG	Smart RG support Agreement
	Ericson	Ericson Support Agreement
	Enghouse	Enghouse Networks -LCR
5.3.7.4	Cogent	Transit Toronto and Vancouver 201402
5.3.7.6	Cogent	2 x 10G Transit Toronto
		GCC - Agreement for the Provision of E911_Calgary AB_020805
		GCC - Agreement for the Provision of E911_Edmonton AB_060607
		GCC - Agreement for the Provision of E911_Edmonton AB_060607 - 2
		GCC - Agreement for the Provision of E911_Edmonton AB_REVISION_081307
		GCC - Agreement for the Provision of E911_Toronto_120202
		CLNPC Shareholders Representative - Aug 2015
		GCC - CLNPC - CLNPC-USA Amended and Restated May 27 2011
		GCC - CLNPC - CLNPC-USA Amended and Restated May 27 2011_Instructions
		GCC - CNA+SAIC_Service User Agreement_091405

GCC - Membership Agreement\_CLNP\_080502  
GCC - Service User Agreement\_CNA + SAIC\_091405  
GCC - Shareholder Agreement\_CLNP Amended and Restated\_012006  
Primus Tel\_ASA Statement\_July 2015  
2015-11-18 - TekSavvy-Primus MALI - final  
2015-11-18 - TekSavvy-Primus MALI - signature pages - executed  
Beanfield MALI  
Beanfield MALI BPAGMALI291  
Beanfield MALI BPAGMALI291 - Signed GCC  
Beanfield MALI Pages signed  
Beanfield Sched C 20130221  
CDS and Globility MALI Pages\_ Cover Signature and Notices  
CDS-Globility - Schedule C - CONFIDENTIAL  
Fibernetics Primus MALI  
Fibernetics Primus Sched C  
Final Fido signed agreement  
Final Fido signed Schedule C.FINAL  
GCC - Cogeco Data - MALI - Signed  
GCC - Master Agreement for Local Network  
Interconnection\_Distributel\_061607  
GCC - Master Agreement for Local Network  
Interconnection\_Eastlink\_31Oct12  
GCC - Master Agreement for Local Network  
Interconnection\_Execulink\_071507  
GCC - Master Agreement for Local Network  
Interconnection\_FlexITY\_090308  
GCC - Master Agreement for Local Network  
Interconnection\_MSNI\_051710  
GCC - Master Service Agreement + Data Colocation Schedule -  
Navigate-Next Layer - 032907  
GCC - Master Service Agreement + Data Colocation Schedule - Renewal  
- Navigate-Next Layer - 070112  
GCC - Navigata\_Master Telecommunication Services  
Agreement\_Executed\_032907  
Kimcot-Primus Schedule C  
LES NET-PRIMUS-MALI-FINAL  
LES NET-PRIMUS-MALI-Schedule C-FINAL  
LES NET-PRIMUS-MALI-Schedule C-Signing  
LES NET-PRIMUS-MALI-Signing  
Primus - Seaside - schedule c  
Standard MALI\_Innsys MALI BPAGMALI30\_12.17.2014  
Standard MALI\_Innsys Sched C\_12.22.2014  
Final signed schedule C for Nor-Del Cablevision Limited  
Final signed schedule C from Câble-Axion Digitel inc

Final signed schedule C with Câble-Axion Digitel inc  
 Final signed Schedule-C for O.N.Tel Inc  
 Final signed Schedule-C for Wightman Communications Ltd  
 Final signed SMALI for Nor-Del Cablevision Limited  
 Final signed SMALI for O.N.Tel Inc  
 Final signed SMALI for Wightman Communications Ltd  
 Final signed SMALI with Câble-Axion Digitel inc  
 Primus SMALI .TELUS.201412051437.FINAL  
 Primus SMALI Sched C.ACCESSCOMMUN ICATIONS.FINAL  
 Primus SMALI Sched C.BRUCETELECOM.FINAL  
 Primus SMALI Sched C.CABLE-AXION.FINAL1doc  
 Primus SMALI Sched C.CABLE-AXION.FINAL2doc  
 Primus SMALI Sched C.DERYTELECOM.FINAL  
 Primus SMALI Sched C.GOSFIELD.FINAL.doc  
 Primus SMALI Sched C.GREATERSUDBURY.FINAL  
 Primus SMALI Sched C.HURON.FINAL.doc  
 Primus SMALI Sched C.NOR-DEL.FINAL  
 Primus SMALI Sched C.ONTERA.FINAL  
 Primus SMALI Sched C.ROXBOROUGH.FINAL  
 Primus SMALI Sched C.SHANNONVISION.FINAL.doc  
 Primus SMALI Sched C.SOGETEL.FINAL  
 Primus SMALI Sched C.TUCKERSMITH.FINAL.doc  
 Primus SMALI Sched C.WIGHTMAN.FINAL  
 SMALI - Xplornet - Schedule C- Primus  
 Special MALI - Primus

**US Co-Location Agreements**

		Space _And_ power 900 N.Alameda, LA 1st cabinet LN04 renewal 20150326.pdf
6.2.1	Coresite	
6.2.2	Coresite	Space _And_ power 900 N.Alameda, LA 2nd cabinet 20130802.pdf
6.2.3	Coresite	Space _And_ power 900 N.Alameda, LA 2nd cabinet 20130802exec.pdf
6.2.4	Coresite	Space _And_ power 900 N.Alameda, LA 20130412.pdf
6.2.5	Equinix	Lingo 60Hudson colo lease
6.2.6	Equinix	Lingo Chicago colo lease
6.2.7	Equinix	Lingo master service agreement
6.2.8	Coresite	Nat'l MSA 20130416 (Alameda)
6.2.9	ICS-PTCI ICS and Newport Office	Carrier Services Agreement ICS-PTCI -
6.2.10	Center 1LP	Colocation Agreement - ICS New Jersey

**Network and IT Support Agreements**

5.6.2	Allot	Allot Maintenance Agreement
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5.6.5	Meta	Metaswitch Support Service Level Agreement
5.6.7	Broadsoft	US BroadSoft License Agreements
5.6.10	ACME	Acme Oracle APKT-RN-24315-2
5.6.11	Allot	Allot Communications Hardware Warranty Certificate SGT1412000076
	Acme	Acme - Canada
	Acme	Acme – US
	Broadsoft	Broadsoft – Canada (C10746)
	Allot	Allot - Tera
	Allot	Allot - SigmaE, SPS/SPX, NX-STC, & SMP
	CDW	VMware vSphere 5 Standard for 1 processor x 4
	CDW	VMware vSphere 5 Standard for 1 processor x 8
	CTI Tech	CTI - Call Recording
	Dell	ADMINDB2
	Enghouse	
	Networks	Pulse Voice (LCR)
	Equinox	Protector 10.x Mtce Fee Monito up to 3.5 Million CDRs Per Day
	Ericsson	Primus Canada - Pricelist of Ericsson SSRs SWUS
	Five9	Agent Licenses
	FusionCharts	Add-On for PBS Charting in Admin3
	Interactive	
	Intelligence	Hosted ACD
	Longview	VMware vSphere 6 Standard for 1 processor x 16
	Longview	VMware vSphere 6 Standard for 1 processor x 14
	Longview	VMware vCenter Server6 Standard for vSphere 5 (Per Instance) x 1
	Longview	VMware vSphere 6 Standard for 1 processor x 2
	Metaswitch	Meta support
	Onx	Cisco Support, NEW-Q16034490
	Onx	Cisco Smartnet
	Onx	Vmware, 50 x Vsphere ( 3year enterprise license and support)
	Oracle (Pillar	
	Data Systems)	AXIOM 600
	Red Hat	Red Hat - A/C #1051751
	Sonus	Sonus (Performance Technologies, SS7 signaling)
	TeraSpan	TeraSpan Networks (Vancouver Fibre Ring)
	Zhone	Zhone (MALC, MXK, 1U, ETHX, ZNID, & ZMS)
	F5 Networks	F5 Service Agreement

**Other**

5.3.8	Rimhub	Rimhub
5.3.8.1	Rimhub	Rimhub Proposal_29Sep2012_PTGi_FINALrates.pdf
5.3.8.2	Rimhub	MSA RibHub PTCI Part 1.pdf
	Infosys	Letter of Engagement dated August 1, 2015

**Marketing Agreements**

2.9.3		MDM Rate Schedule.xlsx
5.3.2.3.1	Costco	Costco Contract Apr 2015-16 renewal
5.3.2.3.2	Costco	KnewSalesGroupAgencyAgreementJan1515
5.3.2.8.1	Aeroplan	Primus - Aeroplan 2013-17 Renewal Amendment FINAL
5.3.2.9.1	LoyaltyOne	Primus_Air Miles Agreement - Primus Comments - July 13

**Consulting Agreements**

5.7.1	Consultant	Mohammed Ikram_PSA
5.7.2	Consultant	MondaytoSunday Services India Private Inc_Raja Domalla_PSA
5.7.3	Consultant	Padmaja Challa_PSA
5.7.4	Consultant	Bhadkar Pandian PSA 2011
5.7.5	Consultant	Bhaskar Pandian Task Order
5.7.6	Consultant	Jain Abhishek_PSA
	Consultant	Nice Consulting
	Consultant	David Pigott
	Consultant	Benlin Xu
	Consultant	Laker You
	Consultant	Ted Taylor
	Consultant	Matthew Gamble
	Consultant	Ted Taylor
	Consultant	Dommala Rajavardhan

**Equipment Contracts**

Onx	NetApp 2240s (Van)
Onx	DS22246 for Call Rec
Onx	NetApp 3140s (Old Tor)
Onx	NetApp 3210 (snapvault0-01)
Onx	NetApp 8020s (New Tor)
Onx	NetApp SW Support (FCP, iSCSI 8020A)
F5 Networks, Inc.	Service Agreement Acknowledgment (ID: 363746)

**Schedule C – Other Assumed Contracts**

To be mutually agreed on.



**Schedule D – Excluded Assets**

- (1) Any and all shares and other securities owned by any Vendor, including all shares of Primus Telecommunications, Inc. and Lingo, Inc. held by Primus Telecommunications Canada, Inc.
- (2) Any deposits paid or other security posted by Vendors or amounts set off or held back from the Vendors in respect of goods or services to be supplied after the CCAA Proceedings have commenced.

**Schedule E – Excluded Contracts**

<b>Ref.</b>	<b>Location/ Vender</b>	<b>Description</b>
<b>Office Leases</b>		
5.3.1.2.2	Ottawa	31 Auriga Lease Dec 1, 2010 to Nov 30., 2020.pdf
5.3.1.5.3	Toronto	Amendment to Lease - July 25, 2013
5.3.1.5.4	Toronto	Primus Manulife Lease - 5343 Dundas
	Edmonton	Edmonton office lease
	Markham, Ontario	60 Renfrew Drive
	London, Ontario	1069 Wellington Road South
	Cedar Rapids, Iowa	Office lease for Suite 1, 805 Wright Brothers Blvd. SW Cedar Rapids, Iowa, 52404
	Coralville, Iowa	Office lease for 625 First Avenue, Coralville, Iowa
	Tampa, Florida	Office lease for Suite 220E, 3903 Northdale Boulevard, Tampa, Florida, 33624
<b>Carrier Contracts</b>		
5.3.2.2.1	Bell Canada	1-796366479(Primus-Loop Letter-Globility Gov_Hash_2011-0247DC)
5.3.2.2.2	Bell Canada	2012-0259DC - Primus Loops Amendment 1 - Dec 19, 2012(executed)
5.3.2.2.3	Bell Canada	2015 Bell Resolution of data spend agreement
5.3.2.2.16	Bell Canada	Bell ULLs - 1-796366479(Primus-Loop Letter-Globility Gov_Hash_2011-0247DC)
		Bell Local resale - Primus Amendment No 1 MCAT124463-35
5.3.2.2.27	Bell Canada	Amendment
5.3.2.2.28	Bell Canada	Primus Amendment No 1 MCAT124463-35 Amendment
<b>Other Network Agreements</b>		
	Other Network Agreements	Bell ULL Agreement 1-796366479
<b>Telus</b>		
5.3.2.7.3	Telus	TELUS Direct Connect LD Agmt (2014-10-23)
		telus amendment #9 to wholesale services agreement -foreborne and tarriffed
5.3.2.7.9	Telus	
5.3.2.7.10	Telus	Telus Wireline - Primus WSA (TELUS Redline) June 30 11
<b>Network and Systems Agreements</b>		
5.3.4.1	Microsoft	Microsoft Agreement
5.6.3	CA	CA Perpetual License Agreement
	Interactive	
5.6.4	Intelligence	I3 Contract
5.6.6	OnX	OnX Support Agreement for various network components and VM

		Ware
5.6.8	Zhone	Zhone Service Guide
	Salesforce.com	Contract in place with Salesforce.com

**Other Contracts**

	Primus	All Executive employment contracts
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**Schedule F – Purchase Price Allocation**

To be mutually agreed upon prior to Closing.

**Schedule G – Permitted Encumbrances**

All Encumbrances relating to the registrations listed below and any registrations made in other jurisdictions in connection with the same Encumbrances to the extent any such Encumbrances relate to equipment that is leased pursuant to an Assumed Contract:

**CANADA**

## A. Ontario

<b>File No. Registration No. Registration Period Expiry Date</b>	<b>Debtor Name</b>	<b>Secured Party (Creditor)</b>	<b>Collateral Classification</b>	<b>Other Changes</b>
709482663 20150831140314627082 5 years August 31, 2020	Primus Telecommunications Canada Inc. Primus Canada Ltd. Primus Telecommunications Canada Inc	Xerox Canada Ltd	Equipment Other	
697522572 20140627141214621457 5 years June 27, 2019	Primus Telecommunications Canada Inc. Primus Canada Ltd.	Xerox Canada Ltd	Equipment Other	
683592579 20121214 1703 1462 2176 4 years December 14, 2016	Primus Telecommunications Canada Inc.	Gould Leasing Ltd.	Equipment	
681490494 20120917140214628536 4 years September 17, 2016	Primus Telecommunications Canada Inc. Primus Telecommunications	Xerox Canada Ltd	Equipment Other	
674093097 20111102170214626299 4 years November 2, 2015	Primus Telecommunications Canada Inc.	Xerox Canada Ltd	Equipment Other	
711845838 20151117 1350 1902 8220 5 years November 17, 2020	Primus Telecommunications Canada Inc.	Cicso Systems Capital Canada Co.	Equipment Accounts Other	All present and future goods (including, without limitation, routers, router components, switches, servers, other computer networking and telecommunications equipment and other information technology and computer equipment (including, without limitation,

			security, voice, video, collaboration, conferencing, wireless and ancillary equipment) and other goods (whether similar or dissimilar to the foregoing)) leased from time to time by the Secured Party to the Debtor, together with, in each case, all present and future software and software license rights relating to any of the foregoing, and all present and future substitutions, replacements, upgrades, repairs, parts and attachments, improvements and accessions thereto (collectively, the "Equipment"), as well as, (1) all present and future insurance, warranty, rental and other claims and right to payment and chattel paper arising out of all or any of the Equipment, (2) all present and future books and records relating to all or any of the foregoing and (3) all proceed of or relating to any of the foregoing.
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B. British Columbia

<b>Base Registration No. Control No. Registration Period Registration Date Expiry Date</b>	<b>Debtor Name</b>	<b>Secured Party (Creditor)</b>	<b>General Collateral Description</b>
812316I D3295665 5 years August 31, 2015 August 31, 2020	Primus Telecommunic-ations Canada Inc. Primus Telecommunications Canada Inc.	Xerox Canada Ltd	Equipment, other all present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
958440I D3445051 5 years November 17, 2015 November 17, 2020	Primus Telecommunications Canada Inc.	Cisco Systems Capital Canada Co.	All present and future goods (including, without limitation, routers, router components, switches, services, other computer networking and telecommunications equipment (including, without limitation, security, voice, video, collaboration, wireless and ancillary equipment) and other goods (whether similar or dissimilar of the foregoing)) leased from time to time by the Secured Party to the Debtor,

			together with, in each case, all present and future software and software license rights relating to any of the foregoing, and all present and future substitutions, replacements, upgrades, repairs, parts and attachments, improvements and accessions thereto (collectively, the "Equipment"), as well as, (1) all present and future insurance, warranty, rental and other claims and rights to payment and chattel paper arising out of all or any of the equipment, (2) all present and future books and records relating to all or any of the foregoing and (3) all proceeds of or relating to any of the foregoing.
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## C. Alberta

<b>Registration No. Expiry Date</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>General Collateral Description</b>
12091718764 2012-Sep-17	Primus Telecommunications  Primus Telecommunications Canada Inc.	Xerox Canada Ltd.	Equipment, other all present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
15111720605 2015-Nov-17	Primus Telecommunications Canada Inc.	Cisco Systems Capital Canada Co.	All present and future goods (including, without limitation, routers, router components, switches, servers, other computer networking and telecommunications equipment and other information technology and computer equipment (including, without limitation, security, voice, video, collaboration, conferencing, wireless and ancillary equipment) and other goods (whether similar or dissimilar to the foregoing)) leased from time to time by the secured party to the debtor, together with, in each case, all present and future software and software license rights relating to any of the

			foregoing, and all present and future substitutions, replacements, upgrades, repairs, parts and attachments, improvements and accessions thereto (collectively, the "equipment"), as well as, (1) all present and future insurance, warranty, rental and other claims and rights to payment and chattel paper arising out of all or any of the equipment, (2) all present and future books and records relating to all or any of the foregoing and (3) all proceeds of or relating to any of the foregoing.
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## D. New Brunswick

<b>Registration No. Expiry Date</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>General Collateral Description</b>
24586547 2014-06-27	Primus Canada Ltd.  Primus Telecommunications Canada Inc.	Xerox Canada Ltd.	Equipment, other all present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
26345074 2015-08-31	Primus Canada Ltd.  Primus Telecommunic-ations Canada Inc.  Primus Telecommunications Canada Inc.	Xerox Canada Ltd.	Equipment, other all present and future office equipment and software supplied or financed from time to time by the secured party (whether by lease, conditional sale or otherwise), whether or not manufactured by the secured party or any affiliate thereof.
26706424 2015-11-17	Primus Telecommunications Canada Inc.	Cisco Systems Capital Canada Co.	All present and future goods (including, without limitation, routers, router components, switches, servers, other computer networking and telecommunications equipment and other information technology and computer equipment (including, without limitation, security, voice, video,



			<p>collaboration, conferencing, wireless and ancillary equipment) and other goods (whether similar or dissimilar to the foregoing)) leased from time to time by the secured party to the debtor, together with, in each case, all present and future software and software license rights relating to any of the foregoing, and all present and future substitutions, replacements, upgrades, repairs, parts and attachments, improvements and accessions thereto (collectively, the "equipment"), as well as, (1) all present and future insurance, warranty, rental and other claims and rights to payment and chattel paper arising out of all or any of the equipment, (2) all present and future books and records relating to all or any of the foregoing and (3) all proceeds of or relating to any of the foregoing.</p>
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**Schedule H – Purchased Intellectual Property****Patents and Patent Applications**

Country	Patent Title	Patent No.	Issue Date	Filing Date	Assignee
Canada	Call Screening System and Method	2,597,377	Nov. 16, 2010	August 15, 2007	Primus Telecommunications Canada, Inc.

Country	Patent Title	Patent No.	Issue Date	Assignee	PCT Filing Date
U.S.	Call Screening System and Method	8,577,002	Nov. 5, 2013	Primus Telecommunications Canada, Inc.	August 13, 2008

**Trademarks (Canada)**

No.	Trademark	Status	Owner Name
1.	BEX - BUSINESS ETHERNET XTENDED	Registered App 1518690 App 10-MAR-2011 Reg TMA873831 Reg 19-MAR-2014 19-MAR-2029	Primus Telecommunications Canada Inc.
2.	BPS	Registered App 1196778 App 19-NOV-2003 Reg TMA632560 Reg 10-FEB-2005 10-FEB-2020	Primus Telecommunications Canada Inc.
3.	BROADBAND PHONE SERVICE (BPS)	Registered App 1196294 App 14-NOV-2003 Reg TMA678143 Reg 05-DEC-2006 05-DEC-2021	Primus Telecommunications Canada Inc.
4.	BROADBAND VOICE SERVICE (BVS)	Registered App 1196296 App 14-NOV-2003 Reg TMA678144 Reg 05-DEC-2006 05-DEC-2021	Primus Telecommunications Canada Inc.
5.	BVS	Registered App 1196779 App 19-NOV-2003 Reg TMA632466 Reg 09-FEB-2005 09-FEB-2020	Primus Telecommunications Canada Inc.


No.	Trademark	Status	Owner Name
6.	CALL NORTH AMERICA	Registered <b>App</b> 715163 <b>App</b> 15-OCT-1992 <b>Reg</b> TMA430193 <b>Reg</b> 08-JUL-1994 08-JUL-2024	Primus Telecommunications Canada Inc.
7.	CALL25	Registered <b>App</b> 1233360 <b>App</b> 08-OCT-2004 <b>Reg</b> TMA644503 <b>Reg</b> 15-JUL-2005 15-JUL-2020	Primus Telecommunications Canada Inc.
8.	CLOSE CONNECTIONS	Registered <b>App</b> 725939 <b>App</b> 02-APR-1993 <b>Reg</b> TMA430020 <b>Reg</b> 01-JUL-1994 01-JUL-2024	Primus Telecommunications Canada Inc.
9.	COMPARE AND REWARD	Registered <b>App</b> 1157584 <b>App</b> 05-NOV-2002 <b>Reg</b> TMA603341 <b>Reg</b> 26-FEB-2004 26-FEB-2019	Primus Telecommunications Canada Inc.
10.	DATASAFE ADVANCED	Registered <b>App</b> 1217670 <b>App</b> 21-MAY-2004 <b>Reg</b> TMA771834 <b>Reg</b> 13-JUL-2010 13-JUL-2025	Primus Telecommunications Canada Inc.
11.	DATASAFE EXTRA SECURE	Registered <b>App</b> 1217678 <b>App</b> 21-MAY-2004 <b>Reg</b> TMA772550 <b>Reg</b> 21-JUL-2010 21-JUL-2025	Primus Telecommunications Canada Inc.
12.	DATASAFE SOLUTIONS	Registered <b>App</b> 1217679 <b>App</b> 21-MAY-2004 <b>Reg</b> TMA771636 <b>Reg</b> 12-JUL-2010 12-JUL-2025	Primus Telecommunications Canada Inc.
13.	DIME TIME	Registered <b>App</b> 866177 <b>App</b> 15-JAN-1998 <b>Reg</b> TMA510125 <b>Reg</b> 26-MAR-1999 26-MAR-2029	Primus Telecommunications Canada Inc.

No.	Trademark	Status	Owner Name
14.	EASYREACH COMMUNICATIONS	Registered <b>App</b> 843831 <b>App</b> 30-APR-1997 <b>Reg</b> TMA498070 <b>Reg</b> 30-JUL-1998 30-JUL-2028	Primus Telecommunications Canada Inc.
15.	ENTERPRISE DATASAFE	Registered <b>App</b> 1217677 <b>App</b> 21-MAY-2004 <b>Reg</b> TMA771757 <b>Reg</b> 13-JUL-2010 13-JUL-2025	Primus Telecommunications Canada Inc.
16.	ENTRE NOUS	Registered <b>App</b> 726790 <b>App</b> 15-APR-1993 <b>Reg</b> TMA436267 <b>Reg</b> 25-NOV-1994 25-NOV-2024	Primus Telecommunications Canada Inc.
17.	GLOBALSERVE	Registered <b>App</b> 798806 <b>App</b> 04-DEC-1995 <b>Reg</b> TMA468136 <b>Reg</b> 02-JAN-1997 02-JAN-2027	Primus Telecommunications Canada Inc.
18.	GO FOR MORE	Registered <b>App</b> 1245624 <b>App</b> 01-FEB-2005 <b>Reg</b> TMA658186 <b>Reg</b> 07-FEB-2006 07-FEB-2021	Primus Telecommunications Canada Inc.
19.	GARDIEN TÉLÉMARKETING	Registered <b>App</b> 1361467 <b>App</b> 28-AUG-2007 <b>Reg</b> TMA749509 <b>Reg</b> 06-OCT-2009 06-OCT-2024	Primus Telecommunications Canada Inc.
20.	INTERNATIONAL SANS COMPROMIS	Registered <b>App</b> 1332066 <b>App</b> 19-JAN-2007 <b>Reg</b> TMA707426 <b>Reg</b> 14-FEB-2008 14-FEB-2023	Primus Telecommunications Canada Inc.
21.	IT'S YOUR CALL	Registered <b>App</b> 720540 <b>App</b> 13-JAN-1993 <b>Reg</b> TMA454966 <b>Reg</b> 08-MAR-1996 08-MAR-2026	Primus Telecommunications Canada Inc.

No.	Trademark	Status	Owner Name
22.	LINGO	Registered <b>App</b> 1225928 <b>App</b> 04-AUG-2004 <b>Reg</b> TMA836481 <b>Reg</b> 15-NOV-2012 15-NOV-2027	Primus Telecommunications Canada, Inc.
23.	LINGO & DESIGN 	Registered <b>App</b> 1228404 <b>App</b> 26-AUG-2004 <b>Reg</b> TMA777828 <b>Reg</b> 22-SEP-2010 22-SEP-2025	Primus Telecommunications Canada, Inc.
24.	LONDON TELECOM	Registered <b>App</b> 719836 <b>App</b> 04-JAN-1993 <b>Reg</b> TMA423877 <b>Reg</b> 25-FEB-1994 25-FEB-2024	Primus Telecommunications Canada Inc.
25.	LONDON TELECOM NETWORK	Registered <b>App</b> 719835 <b>App</b> 04-JAN-1993 <b>Reg</b> TMA423876 <b>Reg</b> 25-FEB-1994 25-FEB-2024	Primus Telecommunications Canada Inc.
26.	LONDON TELECOM NETWORK & DESIGN 	Registered <b>App</b> 789507 <b>App</b> 08-AUG-1995 <b>Reg</b> TMA465850 <b>Reg</b> 06-NOV-1996 06-NOV-2026	Primus Telecommunications Canada Inc.
27.	LONDON TELECOM NETWORK CANADA'S FLAT RATE LONG DISTANCE COMPANY & DESIGN 	Registered <b>App</b> 860690 <b>App</b> 05-NOV-1997 <b>Reg</b> TMA535474 <b>Reg</b> 23-OCT-2000 23-OCT-2030	Primus Telecommunications Canada Inc.
28.	MAGMA	Registered <b>App</b> 1329047 <b>App</b> 20-DEC-2006 <b>Reg</b> TMA733207 <b>Reg</b> 27-JAN-2009 27-JAN-2024	Primus Telecommunications Canada Inc.
29.	MAGMA & DESIGN 	Registered <b>App</b> 1329037 <b>App</b> 20-DEC-2006 <b>Reg</b> TMA733208 <b>Reg</b> 27-JAN-2009 27-JAN-2024	Primus Telecommunications Canada Inc.


No.	Trademark	Status	Owner Name
30.	MON PAYS	Registered App 839724 App 27-MAR-1997 Reg TMA492607 Reg 08-APR-1998 08-APR-2028	Primus Telecommunications Canada Inc.
31.	MORE \$15	Registered App 1308968 App 13-JUL-2006 Reg TMA693053 Reg 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.
32.	MORE \$20	Registered App 1308964 App 13-JUL-2006 Reg TMA693052 Reg 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.
33.	MORE \$25	Registered App 1308963 App 13-JUL-2006 Reg TMA693051 Reg 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.
34.	MORE \$35	Registered App 1308961 App 13-JUL-2006 Reg TMA693050 Reg 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.
35.	MORE ANYTIME	Registered App 1280917 App 25-NOV-2005 Reg TMA667323 Reg 11-JUL-2006 11-JUL-2021	Primus Telecommunications Canada Inc.
36.	MORE EVENINGS AND WEEKENDS	Registered App 1308959 App 13-JUL-2006 Reg TMA693480 Reg 03-AUG-2007 03-AUG-2022	Primus Telecommunications Canada Inc.
37.	MY COUNTRY	Registered App 839725 App 19-MAR-1997 Reg TMA501131 Reg 24-SEP-1998 24-SEP-2028	Primus Telecommunications Canada Inc.


No.	Trademark	Status	Owner Name
38.	MY TALKBROADBAND	Registered <b>App</b> 1247992 <b>App</b> 21-FEB-2005 <b>Reg</b> TMA654488 <b>Reg</b> 06-DEC-2005 06-DEC-2020	Primus Telecommunications Canada Inc.
39.	NOUS SOMMES TOUJOURS À L'ÉCOUTE	Registered <b>App</b> 807721 <b>App</b> 20-MAR-1996 <b>Reg</b> TMA490172 <b>Reg</b> 18-FEB-1998 18-FEB-2028	Primus Telecommunications Canada Inc.
40.	OBTENEZ-EN PLUS	Registered <b>App</b> 1332063 <b>App</b> 19-JAN-2007 <b>Reg</b> TMA706434 <b>Reg</b> 04-FEB-2008 04-FEB-2023	Primus Telecommunications Canada Inc.
41.	ONE & ALL	Registered <b>App</b> 766046 <b>App</b> 13-OCT-1994 <b>Reg</b> TMA447160 <b>Reg</b> 01-SEP-1995 01-SEP-2025	PRIMUS TELECOMMUNICATIONS CANADA, INC.
42.	PARLEZ HAUTE VITESSE	Registered <b>App</b> 1209715 <b>App</b> 15-MAR-2004 <b>Reg</b> TMA655193 <b>Reg</b> 15-DEC-2005 15-DEC-2020	Primus Telecommunications Canada Inc.
43.	PLUS! 15\$	Registered <b>App</b> 1308957 <b>App</b> 13-JUL-2006 <b>Reg</b> TMA692862 <b>Reg</b> 27-JUL-2007 27-JUL-2022	Primus Telecommunications Canada Inc.
44.	PLUS! 20\$	Registered <b>App</b> 1308958 <b>App</b> 13-JUL-2006 <b>Reg</b> TMA693049 <b>Reg</b> 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.
45.	PLUS! 25\$	Registered <b>App</b> 1308956 <b>App</b> 13-JUL-2006 <b>Reg</b> TMA693048 <b>Reg</b> 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.

No.	Trademark	Status	Owner Name
46.	PLUS! 35\$	Registered <b>App</b> 1308954 <b>App</b> 13-JUL-2006 <b>Reg</b> TMA693047 <b>Reg</b> 31-JUL-2007 31-JUL-2022	Primus Telecommunications Canada Inc.
47.	PLUS! EN TOUT TEMPS	Registered <b>App</b> 1280918 <b>App</b> 25-NOV-2005 <b>Reg</b> TMA674864 <b>Reg</b> 13-OCT-2006 13-OCT-2021	Primus Telecommunications Canada Inc.
48.	PLUS! SOIR ET LE WEEKEND	Registered <b>App</b> 1308952 <b>App</b> 13-JUL-2006 <b>Reg</b> TMA694494 <b>Reg</b> 22-AUG-2007 22-AUG-2022	Primus Telecommunications Canada Inc.
49.	PRIMUS	Registered <b>App</b> 1102123 <b>App</b> 07-MAY-2001 <b>Reg</b> TMA734586 <b>Reg</b> 17-FEB-2009 17-FEB-2024	Primus Telecommunications Canada, Inc.
50.	PRIMUS & DESIGN 	Registered <b>App</b> 1102122 <b>App</b> 07-MAY-2001 <b>Reg</b> TMA734585 <b>Reg</b> 17-FEB-2009 17-FEB-2024	Primus Telecommunications Canada, Inc.
51.	PRIMUS ANYTIME CONFERENCING SERVICES	Registered <b>App</b> 1179941 <b>App</b> 11-JUN-2003 <b>Reg</b> TMA717051 <b>Reg</b> 20-JUN-2008 20-JUN-2023	Primus Telecommunications Canada, Inc.
52.	PRIMUS ANYTIME PLUS CONFERENCING SERVICES	Registered <b>App</b> 1179938 <b>App</b> 11-JUN-2003 <b>Reg</b> TMA717052 <b>Reg</b> 20-JUN-2008 20-JUN-2023	Primus Telecommunications Canada, Inc.
53.	PRIMUS CONFERENCING SERVICES	Registered <b>App</b> 1179935 <b>App</b> 11-JUN-2003 <b>Reg</b> TMA717053 <b>Reg</b> 20-JUN-2008 20-JUN-2023	Primus Telecommunications Canada, Inc.



No.	Trademark	Status	Owner Name
54.	PRIMUS E-CARE	Registered <b>App</b> 1196295 <b>App</b> 14-NOV-2003 <b>Reg</b> TMA717117 <b>Reg</b> 20-JUN-2008 20-JUN-2023	Primus Telecommunications Canada, Inc.
55.	PRIMUS Logo 	Searched (Pending) <b>App</b> 1715368 <b>App</b> 13-FEB-2015	PRIMUS TELECOMMUNICATIONS CANADA INC.
56.	PRIMUS METRO	Allowed (Pending) <b>App</b> 1510289 <b>App</b> 06-JAN-2011	Primus Telecommunications Canada, Inc.
57.	PRIMUS METRO FIBRE	Allowed (Pending) <b>App</b> 1510288 <b>App</b> 06-JAN-2011	Primus Telecommunications Canada, Inc.
58.	PRIMUS MORE SHARING	Registered <b>App</b> 1251950 <b>App</b> 24-MAR-2005 <b>Reg</b> TMA659883 <b>Reg</b> 01-MAR-2006 01-MAR-2021	Primus Telecommunications Canada, Inc.
59.	PRIMUS ONETIME CONFERENCING SERVICES	Registered <b>App</b> 1179942 <b>App</b> 11-JUN-2003 <b>Reg</b> TMA717050 <b>Reg</b> 20-JUN-2008 20-JUN-2023	Primus Telecommunications Canada, Inc.
60.	PRIMUS PARTAGE-PLUS	Registered <b>App</b> 1251951 <b>App</b> 24-MAR-2005 <b>Reg</b> TMA659890 <b>Reg</b> 01-MAR-2006 01-MAR-2021	Primus Telecommunications Canada, Inc.
61.	PRIMUS WEBWORKS	Registered <b>App</b> 1337368 <b>App</b> 28-FEB-2007 <b>Reg</b> TMA714060 <b>Reg</b> 09-MAY-2008 09-MAY-2023	Primus Telecommunications Canada, Inc.
62.	PRIMUS WIRELESS - LONG DISTANCE FOR LESS	Registered <b>App</b> 1308949 <b>App</b> 13-JUL-2006 <b>Reg</b> TMA796694 <b>Reg</b> 05-MAY-2011 05-MAY-2026	Primus Telecommunications Canada, Inc.

No.	Trademark	Status	Owner Name
63.	PRIMUSCLOUD	Registered <b>App</b> 1553512 <b>App</b> 23-NOV-2011 <b>Reg</b> TMA889158 <b>Reg</b> 31-OCT-2014 31-OCT-2029	Primus Telecommunications Canada, Inc.
64.	PTGI	Registered <b>App</b> 1534571 <b>App</b> 06-JUL-2011 <b>Reg</b> TMA878044 <b>Reg</b> 15-MAY-2014 15-MAY-2029	Primus Telecommunications Canada Inc.
65.	PTGI & Design 	Registered <b>App</b> 1534570 <b>App</b> 06-JUL-2011 <b>Reg</b> TMA878039 <b>Reg</b> 15-MAY-2014 15-MAY-2029	Primus Telecommunications Canada Inc.
66.	RAPIDRETRIEVE	Registered <b>App</b> 1461311 <b>App</b> 02-DEC-2009 <b>Reg</b> TMA779692 <b>Reg</b> 13-OCT-2010 13-OCT-2025	Primus Telecommunications Canada Inc.
67.	SERVICE ELECTRONIQUE PRIMUS	Registered <b>App</b> 1209720 <b>App</b> 15-MAR-2004 <b>Reg</b> TMA703132 <b>Reg</b> 14-DEC-2007 14-DEC-2022	Primus Telecommunications Canada, Inc.
68.	SERVICE ELECTRONIQUE WIN-TEL	Registered <b>App</b> 1209724 <b>App</b> 15-MAR-2004 <b>Reg</b> TMA642557 <b>Reg</b> 20-JUN-2005 20-JUN-2020	Primus Telecommunications Canada Inc.
69.	TALKBROADBAND	Registered <b>App</b> 1203001 <b>App</b> 08-JAN-2004 <b>Reg</b> TMA635039 <b>Reg</b> 11-MAR-2005 11-MAR-2020	Primus Telecommunications Canada Inc.
70.	TELE-FRIEND	Registered <b>App</b> 734181 <b>App</b> 03-AUG-1993 <b>Reg</b> TMA436619 <b>Reg</b> 02-DEC-1994 02-DEC-2024	Primus Telecommunications Canada Inc.

No.	Trademark	Status	Owner Name
71.	TELEMARKETING GUARD	Registered <b>App</b> 1361460 <b>App</b> 28-AUG-2007 <b>Reg</b> TMA749510 <b>Reg</b> 06-OCT-2009 06-OCT-2024	Primus Telecommunications Canada Inc.
72.	THE LONDON TELECOM GROUP & DESIGN  The London Telecom Group	Registered <b>App</b> 860691 <b>App</b> 05-NOV-1997 <b>Reg</b> TMA504990 <b>Reg</b> 03-DEC-1998 03-DEC-2028	Primus Telecommunications Canada Inc.
73.	TOUJOURS À L'ÉCOUTE	Registered <b>App</b> 807720 <b>App</b> 20-MAR-1996 <b>Reg</b> TMA490173 <b>Reg</b> 18-FEB-1998 18-FEB-2028	Primus Telecommunications Canada Inc.
74.	TRULY INTERNATIONAL	Registered <b>App</b> 1332067 <b>App</b> 19-JAN-2007 <b>Reg</b> TMA714001 <b>Reg</b> 09-MAY-2008 09-MAY-2023	Primus Telecommunications Canada Inc.
75.	TRULY UNLIMITED CANADA	Registered <b>App</b> 1251125 <b>App</b> 18-MAR-2005 <b>Reg</b> TMA659832 <b>Reg</b> 28-FEB-2006 28-FEB-2021	Primus Telecommunications Canada Inc.
76.	TRULY UNLIMITED NORTH AMERICA	Registered <b>App</b> 1251124 <b>App</b> 18-MAR-2005 <b>Reg</b> TMA659969 <b>Reg</b> 01-MAR-2006 01-MAR-2021	Primus Telecommunications Canada Inc.
77.	WEBWORKS	Registered <b>App</b> 1337367 <b>App</b> 28-FEB-2007 <b>Reg</b> TMA806594 <b>Reg</b> 13-SEP-2011 13-SEP-2026	Primus Telecommunications Canada, Inc.
78.	WIN-TEL	Registered <b>App</b> 1209722 <b>App</b> 15-MAR-2004 <b>Reg</b> TMA630061 <b>Reg</b> 12-JAN-2005 12-JAN-2020	Primus Telecommunications Canada Inc.

No.	Trademark	Status	Owner Name
79.	WIN-TEL E-CARE	Registered App 1209723 App 15-MAR-2004 Reg TMA691794 Reg 11-JUL-2007 11-JUL-2022	Primus Telecommunications Canada Inc.
80.	YOU TALK WE LISTEN	Registered App 801885 App 16-JAN-1996 Reg TMA490124 Reg 18-FEB-1998 18-FEB-2028	Primus Telecommunications Canada Inc.

### Trademarks (United States)

No.	Trademark	Status	Owner Name
1.	GLOBETALK  GLOBETALK	Registered App 78962106 App 28-AUG-2006 Reg 3342159 Reg 20-NOV-2007	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
2.	LINGO 	Registered App 78977825 App 21-APR-2004 Reg 3218986 Reg 13-MAR-2007	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
3.	LINGO  LINGO	Registered App 78977679 App 20-APR-2004 Reg 3218984 Reg 13-MAR-2007	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
4.	LINGO GO TALK 	Registered App 85117662 App 27-AUG-2010 Reg 4058477 Reg 22-NOV-2011	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
5.	LINGO UNWIRED  LINGO UNWIRED	Registered App 77263081 App 23-AUG-2007 Reg 3525312 Reg 28-OCT-2008	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
6.	LINGO WORLD MAX  Lingo World Max	Registered App 77849715 App 15-OCT-2009 Reg 3802557 Reg 15-JUN-2010	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)

No.	Trademark	Status	Owner Name
7.	PRIMUS 	Pending Section 44(D) Intent to Use <b>App</b> 86542551 <b>App</b> 23-FEB-2015	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
8.	PRIMUS 	Renewed (Registered) <b>App</b> 76160682 <b>App</b> 07-NOV-2000 <b>Reg</b> 2679710 <b>Reg</b> 28-JAN-2003	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
9.	PRIMUS 	Renewed (Registered) <b>App</b> 76160684 <b>App</b> 07-NOV-2000 <b>Reg</b> 2694591 <b>Reg</b> 11-MAR-2003	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
10.	PRIMUS	Renewed (Registered) <b>App</b> 75171651 <b>App</b> 25-SEP-1996 <b>Reg</b> 2194625 <b>Reg</b> 13-OCT-1998	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
11.	PTGI 	Registered <b>App</b> 85173203 <b>App</b> 10-NOV-2010 <b>Reg</b> 4226291 <b>Reg</b> 16-OCT-2012	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
12.	PTGI  PTGi	Registered <b>App</b> 85172714 <b>App</b> 09-NOV-2010 <b>Reg</b> 4195302 <b>Reg</b> 21-AUG-2012	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
13.	PTGI ICS <b>PTGi ICS</b>	Published (Pending) Intent to Use <b>App</b> 85849981 <b>App</b> 14-FEB-2013	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
14.	PTGI INTERNATIONAL CARRIER SERVICES PTGi International Carrier Services	Published (Pending) Intent to Use <b>App</b> 85849967 <b>App</b> 14-FEB-2013	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)
15.	TALK 365  TALK 365	Registered <b>App</b> 77232455 <b>App</b> 18-JUL-2007 <b>Reg</b> 3401267 <b>Reg</b> 25-MAR-2008	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)

No.	Trademark	Status	Owner Name
16.	TELEGROUP	Renewed (Registered) App 74692511 App 23-JUN-1995 Reg 2048650 Reg 01-APR-1997	PRIMUS TELECOMMUNICATIONS CANADA INC. (Canada)

**PRIMUS TELECOMMUNICATIONS CANADA INC.  
INTERNATIONAL MARKS**

Country	Mark / Class	App. / Reg. No.	Status
AUSTRALIA	ARBINET-THEXCHANGE Class 36	843662	Registered July 24, 2000. Renewal due July 24, 2020.
AUSTRALIA	GLOBE-NET PRO Class 35 & 38	738221	Registered 7/2/1997. Renewal due July 2, 2017.
AUSTRALIA	GLOBE TALK PRO Class 35 & 38	738234	Registered 7/2/1997. Renewal due July 2, 2017.
AUSTRALIA	GROUPTALK Class 35 & 38	739738	Registered July 23, 1997. Renewal due July 23, 2017.
AUSTRALIA	INFINITY Class 35 & 38	845800	Registered Aug. 10, 2000. Renewal filed 4/22/2010. Next renewal due Aug. 10, 2020
AUSTRALIA	JET STREAM Class 38	815282	Registered Nov. 26, 1999. Renewal due Nov. 26, 2019.
AUSTRALIA	LINGOHEADS Class 42	1221930	Registered 1/30/2008. Renewal due Jan. 30, 2018.
AUSTRALIA	MPRIMUS Class 9, 16, 35, 38, 42	837877	Registered Jun. 5, 2000. Renewal filed 4/22/2010. Next renewal due June 5, 2020.
AUSTRALIA	PRIMETALK Class 9, 16, 35, 38	764067	Registered 6/5/1998. Renewal due June 5, 2018.
AUSTRALIA	PRIMUS Class 35, 38, 42	869202	Registered 3/14/2001. Renewed 3/3/2011. Renewal due March 14, 2021.
AUSTRALIA	PRIMUS Class 9, 16, 35, 38	725781	Registered Jan. 15, 1997. Renewal due Jan. 15, 2017.
AUSTRALIA	PRIMUS & Design Class 38, 42	870382	Registered 3/23/2001. Renewed 3/3/2011. Renewal due March 23, 2021.
AUSTRALIA	PRIMUS FORUM Class 35, 38	739736	Registered 7/23/1997. Renewal due July 23, 2017.
AUSTRALIA	PRIMUS TELECOM Class 35, 38	738232	Registered 7/2/1997. Renewal due July 2, 2017.
AUSTRALIA	PRIMUS TELECOMMUNICATIONS, INC. & Design Class 9, 16, 35, 38	725780	Registered Jan. 15, 1997. Renewal due Jan. 15, 2017.
AUSTRALIA	PUT A SMILE ON YOUR DIAL Class 9, 16, 35, 38, 42	838216	Registered June 7, 2000. Renewal filed 4/22/2010. Next renewal due June 7, 2020
AUSTRALIA	SPEEDWAY Class 38	850506	Registered Sep. 15, 2000. Renewal filed 4/22/2010. Next renewal due Sept. 15, 2020.
AUSTRALIA	TELEGROUP GLOBAL ACCESS Class 38	744934	Registered 9/26/1997. Renewal due Sept. 26, 2017.
AUSTRALIA	TELEGROUP INTELLIGENT GLOBAL NETWORK Class 38	744935	Registered 9/26/1997. Renewal due Sept. 26, 2017.
AUSTRALIA	THE MORE MOBILE	837878	Registered June 5, 2000. Renewal filed

Country	Mark / Class	App. / Reg. No.	Status
	MOBILE SERVICE Class 9, 16, 35, 38, 42		4/22/2010. Next renewal due June 5, 2020.
AUSTRALIA	THE SPEED YOU NEED Class 9, 16, 35, 38	836003	Registered May 23, 2000. Renewal filed 4/22/2010. Next renewal due May 23, 2020.
AUSTRIA	PRIMUS Class 38	202119	Registered Feb. 14, 2002. Renewal due Feb. 28, 2022. Renew & change name to Primus Telecommunications IHC, Inc. – per A. Mancuso’s email of 1/20/2012. Renewal filed 1/2012 – renewed thru 2/28/2022; name change filed 2/2012; granted 3/8/2012 per Austrian counsel.  Assignment to Primus Telecommunications Canada Inc. recorded in Austria IP Office 11/7/2013.
BENELUX	PRIMUS Class 38	200260	Registered June 19, 1998. Renewal due June 19, 2018.  Assignment to Primus Telecommunications Canada Inc. recorded at Benelux IP Registry 9/26/2013.
BENELUX	TELEGROUP SPECTRA Class 38	0627998	Registered April 8, 1998. Renewal due April 8, 2018.  Assignment to Primus Telecommunications Canada Inc. recorded at Benelux IP Registry 10/8/2013.
BRAZIL	PRIMUS Class 42	823886417	Registered Dec. 9, 2008. Renewal due 12/9/2018.
BRAZIL	PRIMUS & Design Class 38	823886654	Registered Dec. 9, 2008. Renewal due 12/9/2018.
BRAZIL	PRIMUS & Design Class 38	821737830	Filed Oct. 21, 1999. Registered 11/22/2011, renewal due 11/22/2021.
BRAZIL	PRIMUS & Design Class 42	823886670	Registered Dec. 9, 2008. Renewal due 12/9/2018.
DENMARK	PRIMUS Class 38	VR200200464	Registered Feb. 7, 2002. Renewed Feb. 2012. Registration expires Feb. 7, 2022.  Assignment to Primus Telecommunications Canada Inc. recorded at Denmark IP Office 8/22/2013.
EUROPEAN COMMUNITY	GLOBE-TALK Class 38	000570168	Registered Dec. 7, 1998. Renewal due Sep. 22, 2017.  Assignment filed 7/30/2013 to Primus Telecommunications Canada Inc. – recorded by OHIM on 7/30/2013 at File No. T 007665253.
EUROPEAN COMMUNITY	PRIMUS Classes 16 & 36	3920899	Registration expires June 30, 2014. Per Jill Schatz’ email of 6/20/2014, renew this mark. Renewal application filed 6/20/2014, granted 6/22/2014, <b>next renewal due 6/30/2024.</b>  Assignment to Primus Telecommunications Canada Inc. filed & recorded at OHIM 9/11/2013.
EUROPEAN	PTGi International Carrier	011578887	Application filed Feb. 15, 2013 based on U.S.

Country	Mark / Class	App. / Reg. No.	Status
COMMUNITY	Services Class 36, 38 & 42		app. (85/849967) filed 2/14/2013. Published in Official Bulletin 4/4/2013. Registered 7/12/2013, renewal due 2/15/2023.  Assignment to Primus Telecommunications Canada Inc. filed & recorded at OHIM 9/11/2013.
EUROPEAN COMMUNITY	PTGi ICS Class 36, 38 & 42	011579158	Registered 8/2/2014. <b>Renewal due 2/15/2023</b> . Application filed Feb. 15, 2013 based on U.S. app. (85/849981) filed 2/14/2013. Published in Official Bulletin 4/4/2013. Opposition filed by Iglesias Castor – not pursued.  Assignment to Primus Telecommunications Canada Inc. filed & recorded at OHIM 9/11/2013.
EUROPEAN COMMUNITY	TELEGROUP Class 9, 38, 42	000762963	Registered Aug. 17, 1999. Expires March 3, 2018.  Assignment to Primus Telecommunications Canada Inc. filed & recorded at OHIM 9/11/2013.
FRANCE	PRIMUS Class 38	013138114	Registered June 19, 1998. Renewal due June 19, 2018.
ITALY	PRIMUS Class 38	1330084	Filed Jan. 24, 2008. Registered Aug. 19, 2010. Renewal due June 19, 2018.
MALAYSIA	PRIMUS Class 38	01003963	Registered 3/29/2001. Renewal due 3/29/2011 – late renewal filed 1/17/2012; granted thru 3/29/2021.  Assignment to Primus Telecommunications Canada Inc. filed 9/12/2013. Recorded at Malaysian TM Office 5/14/2015.  Name change (to Primus Telecommunications IHC, Inc.) & address change filed 1/17/2012 – recorded at Malaysian TM Office 11/22/2012.
NEW ZEALAND	PRIMUS Class 42	633961	Registered Sep. 20, 2001. Renewal due March 14, 2018.
NEW ZEALAND	PRIMUS & Design Class 42	633963	Registered Sep. 20, 2001. Renewal due Nov. 7, 2017.
NEW ZEALAND	PRIMUS MORE THAN JUST TALK Class 42	633965	Registered Sep. 20, 2001. Renewal due Nov. 7, 2017.
SINGAPORE	PRIMUS Class 38	T01/03647Z	Registered March 15, 2001. Renewal due March 15, 2021.  Assignment recorded in Singapore Trademark Registry effective 7/30/2013 to Primus Telecommunications Canada Inc.
SINGAPORE	PRIMUS Class 42	T01/03648H	Registered March 15, 2001. Renewal due March 15, 2021.  Assignment recorded in Singapore



Country	Mark / Class	App. / Reg. No.	Status
			Trademark Registry effective 7/30/2013 to Primus Telecommunications Canada Inc.
SINGAPORE	PRIMUS & Design Class 38	T01/3653D	Registered Nov. 7, 2000. Renewal due Nov. 7, 2020.  Assignment recorded in Singapore Trademark Registry effective 7/30/2013 to Primus Telecommunications Canada Inc.
SINGAPORE	PRIMUS & Design Class 42	T01/03654B	Registered Nov. 7, 2000. Renewal due Nov. 7, 2020.  Assignment recorded in Singapore Trademark Registry effective 7/30/2013 to Primus Telecommunications Canada Inc.
SPAIN	PRIMUS Class 38	2431177	Registered Oct. 17, 2001. <b>Renewal app.</b> filed 10/4/2011, accepted 11/11/2011 – <b>granted thru 10/17/2021</b> ; name change/correction of spelling & address change also filed 10/4/2011 – recorded 11/11/2011.  Assignment to Primus Telecommunications Canada Inc. recorded in Spain IP Office 11/29/2013.
SWITZERLAND	GLOBE-TALK Class 38	459298	Registered March 4, 1999. Renewal due Sep. 9, 2018.  Assignment recorded at Swiss Trademark Registry 7/30/2013 to Primus Telecommunications Canada Inc.
SWITZERLAND	PRIMUS Class 38	466980	Registered Sep. 23, 1999. Renewal filed 1/27/2010 by A.W. Metz & Co., granted 1/28/2010. <b>Second renewal due 9/23/2019.</b>  Assignment recorded at Swiss Trademark Registry 7/30/2013 to Primus Telecommunications Canada Inc.
SWITZERLAND	PRIMUS Class 38 & 42	491948	Registered March 22, 2001. Renewal filed January 2011. Renewal due March 22, 2021.  Assignment recorded at Swiss Trademark Registry 7/30/2013 to Primus Telecommunications Canada Inc.
SWITZERLAND	PRIMUS & Design Class 38 & 42	491972	Registered March 22, 2001. Renewal filed January 2011. Renewal due March 22, 2021.  Assignment recorded at Swiss Trademark Registry 7/30/2013 to Primus Telecommunications Canada Inc.

Domain Names

104real.com	310cool.com	accglobal.net	acctel.net
arvotek.net	broadbandvoice.ca	broadbandvoiceservice.ca	buylingo.biz
buylingo.ca	buylingo.net	buylingo.us	calllingo.com
calllingo.us	callprimus.ca	capitalnet.com	centtel.com
checkyourvoip.ca	clicklingo.biz	clicklingo.ca	clicklingo.net
clicklingo.us	connectiontester.com	coolminute.com	coolminute.us
coolminutes.com	daphone.ca	digitalselect.net	discusslingo.us
dolingo.ca	dsdial.net	dsl.ca	echo-on.net
emailme.ca	eol.ca	ess-web.com	esswebservices.com
extendedlan.com	filesite.com	freebetel.com	ftn.net
getlingo.biz	getlingo.ca	getlingo.us	getlingobiz.com
getprimus.com	getprimus.us	getprimusathome.com	globalserve.com
globalserve.net	globe-talk.com	globetalk.us	globetalkresource.com
globetalkresources.com	globility.ca	globility.com	globility.net
go4mor.ca	go4more.com	goformore.ca	goformore.mobi
gtandroidapp.com	gtbbapp.com	hbcinternet.ca	hmnet.ca
hmnet.net	hmnettech.com	hpbxottawa.com	ican.ca
ican.net	ilingocloud.com	infinity.net	interlynx.ca
interlynx.net	intranet.ca	io.org	ionsys.ca
ipprimus.ca	ipprimus.com	iprimus.ca	iprimus.com
iprimus.net	iprimuscloud.com	knowitall.ca	koolminute.com
koolminute.us	koolminutes.com	kreative.net	learning-centre.com
lingo.com	lingoaffiliate.com	lingoaffiliate.us	lingoandroidapp.com
lingobbapp.com	lingobiz.com	lingoblogs.com	lingobroadbandphone.com
lingobroadbandphone.us	lingobusiness.us	lingocallchina.com	lingocallingplans.us
lingocallkorea.com	lingocommunity.us	lingodiscussions.us	lingoforbusiness.us
lingoforums.us	lingoheads.com	lingoinc.net	lingoinc.us
lingoinstallation.com	lingoinstallation.net	lingointernetphone.us	lingointl.com
lingokorea.com	lingomobileandroidapp.com	lingomobilebbapp.com	lingonews.com
lingopromos.com	lingoreferrals.us	lingoretail.com	lingoretail.us
lingorocks.com	lingorocks.net	lingosmallbusiness.us	lingosmarttalk.com
lingosupport.com	lingosupport.us	lingotroubleshooting.com	lingotroubleshooting.net
lingounlimited.us	lingoworldmax.com	lingoworldmax.net	lingoworldwide.us
londontelecom.ca	londontelecom.com	ltgroup.com	ltn.ca
m6user.com	m6usergroup.com	magma.ca	magma.net
magma.com.com	mipps.ca	mipps.com	mipps.net
miprimus.biz	miprimus.ca	miprimus.com	miprimus.net
miprimus.org	miprimus.us	monprimus.ca	monprimus.mobi
myglobetalk.com	myprimus.biz	myprimus.ca	myprimus.mobi
myprimus.net	myprimus.us	myprimusdomain.us	myprimusmail.ca
myprimuswireless.biz	myprimuswireless.com	myprimuswireless.net	myprimuswireless.us
netcore.ca	onramp.ca	onrampanada.com	onrampanada.net
onrampanada.org	orderlingo.biz	orderlingo.ca	orderlingo.com
orderlingo.net	orderlingo.us	passport.ca	pbwhighvoltage.com
pbwutilities.com	phonecardmiles.ca	planeteer.ca	planeteer.com
planetess.com	planetess.org	planettalk.us	primus.ca
primus2.ca	primusaffaires.ca	primusaffaires.com	primusathome.com
primusathome.us	primusbiz.ca	primusbiz.com	primusbiz.us
primusbundle.ca	primusbundlelite.ca	primusbundles.ca	primusbusiness.biz
primusbusiness.ca	primusbusiness.com	primusbusiness.net	primusbusiness.org
primuscanada.ca	primus-canada.com	primuscanada.info	primuscanada.mobi
primuscanada.net	primus-canada.net	primuscanada.org	primus-canada.org
primuscarrier.com	primuscloud.ca	primuscloud.net	primuscloud.org
primusco.com	primusco.com	primusconnect.com	primusconnect.net
primusconnect.us	primusconsumer.com	primusdsl.net	primusdsl.us
primusfiber.ca	primusfiber.com	primusfibre.ca	primushelp.com
primushelp.us	primushome.ca	primushome.net	primushomephone.ca
primushomephone.com	primushost.ca	primushost.com	primushost.net

primushost.us	primushostedpbx.ca	primushpbx.ca	primushpbx.com
primusicm.com	primusicm.us	primusinfo.ca	primusip.ca
primusip.com	primusld.com	primusld.us	primuslearn.com
primuslink.com	primuslocal.ca		
primusmail.ca	primusmeetingcenter.com	primusmeetingcenter.us	primusmetro.ca
primusmetro.com	primusmetrofiber.ca	primusmetrofiber.com	primusmetrofibre.ca
primusmobile.biz	primusmobile.ca	primusmobile.com	primusmobile.mobi
primusmobile.net	primusmobile.us	primusmobileblows.ca	primusmobilesucks.ca
primusnet.ca	primusoffer.ca	primusonline.ca	primuspbs.com
primusprofessionalservices.com	primusreg.us	primusresidential.com	primusresidential.us
primusresidentialservices.com	primusresidentialservices.us	primussans-fil.ca	primussoftphone.com
primusstars.ca	primusstars.com	primussupport.com	primustel.biz
primustel.ca	primustel.com	primustel.mobi	primustel.tv
primustel.us	primustelecom.ca	primustel-services.com	primustv.ca
primustv.com	primustv.net	primusvideo.ca	primusvideo.com
primusvideo.net	primusvoip.ca	primusvoip.com	primusvoip.net
primusvoip.org	primusvoip.us	primuswatch.ca	primuswebmail.ca
primuswholesale.ca	primus-wholesale.com	primuswholesale.net	primuswholesaleoutsourcing.com
primuswireless.ca	primuswireless.com	primuswireless.mobi	primus-wireless.us
primuswirelessblows.ca	primuswirelessucks.ca	primusworkz.com	primusxtension.com
primusxtension.us	ptgi.ca	ptgi.com	ptgicloud.com
ptgimetro.com	ptgimetrofiber.com	ptgithexchange.com	ptgithexchange.net
ptgithexchange.org	savewithlingo.com	sentinelledutelemarketing.ca	sentinelledutelemarketing.com
sentinelledutelemarketing.net	sipservice.ca	smarttalkmobile.com	socialpbx.com
socialpbx.net	socialpbx.org	talkaboutlingo.us	talkbb.ca
talkbroadband.ca	talkbroadband.mobi	telegroup.com	telemarketerguard.ca
telemarketerguard.com	telemarketerguard.net	telemarketguard.ca	telemarketguard.com
telemarketguard.net	telemarketingguard.ca	telemarketingguard.com	telemarketingguard.net
ten4real.com	ten4realresource.com	ten4realresources.com	tenforreal.com
tenfourreal.com	terraport.net	testlingo.biz	testlingo.ca
testlingo.com	testlingo.net	testlingo.us	testprimus.us
torontocopper.net	transparentlan.net	trylingo.biz	trylingo.ca
trylingo.com	trylingo.net	ulix.net	unlimitel.ca
unlimitelfans.ca	unlimitelfans.com	unlimitelfax.com	uselingo.biz
uselingo.ca	uselingo.com	uselingo.net	uselingo.us
velocet.ca	velocet.com	velocet.net	velocet.org
voiceservices.ca	voipprimus.ca	voipprimus.com	voip-provider.ca
voyageurs.net	wincom.ca	wincom.net	wincom.on.ca
wintel.ca	win-tel.ca	win-tel.mobi	wintelcomm.ca
win-telcomm.ca	wintelcommunications.com	wiznet.ca	wtel.ca

## Toll-Free Telephone Numbers

Toll Free #	Termination #	Term Type:	Term Location
8002244252	5067376405	DID	Vancouver
8002264884	8002264884	DNIS	Dundas
8002467269	8711	DNIS	EDM
8002501288	4162077600	DID	Toronto
8002625417	8002625417	DNIS	Toronto
8002633054	6046302621	DID	Vancouver
8002635543	3994	DNIS	EDM
8002652746	3252	DNIS	Toronto
8002653600	3921	DNIS	EDM
8003039616	4162077627	DID	Toronto
8003214028	4162363636	DID	Toronto
8003332107	7038572274	DID	Toronto
8003404918	2002	DNIS	EDM
8003404919	5067375965	DID	EDM
8003404920	3996	DNIS	EDM
8003406790	8712	DNIS	EDM
8003406791	3905	DNIS	EDM
8003406792	3906	DNIS	EDM
8003406793	3909	DNIS	ED/Van
8003406794	3908	DNIS	EDM
8003633528	3752	DNIS	Dundas
8003651601	2519	DNIS	Toronto
8003700015	2514	DNIS	Toronto
8003857222	3922	DNIS	EDM
8003870005	3923	DNIS	EDM
8004222351	3924	DNIS	EDM
8004333325	3702	DNIS	EDM
8004442817	8004442817	DNIS	Dundas
8004492255	3950	DNIS	EDM
8004504809	4163598830	DID	Toronto
8004590567	3029	DNIS	Toronto
8004708786	2518	DNIS	Toronto
8004871184	3925	DNIS	EDM
8004903536	3598	DNIS	EDM
8004944884	8004944884	DNIS	Dundas
8004949222	8710	DNIS	EDM
8005065552	2801	DNIS	Toronto
8005143733	3253	DNIS	Toronto
8005378968	3395	DNIS	EDM

8005469756	4163691604	DID	Toronto
8005654708	3997	DNIS	EDM
8005673692	3998	DNIS	EDM
8005752266	3231	DNIS	EDM
8005752277	3277/3003	DNIS	EDM
8005753000	3031	DNIS	EDM
8005755511	3193	DNIS	EDM
8005755533	3200	DNIS	EDM
8005938555	6048910840	DID	VAN
8006076572	6132884405	DID	Dundas
8006130413	3068	DNIS	Dundas
8006336211	3000	DNIS	Edmundston
8006355538	4162077151	DID	Dundas
8006615110	2003	DID	Dundas
8006655691	3969	DNIS	EDM
8006702266	4162363636	DID	Dundas
8006702266	3232	DNIS	EDM
8006702277	3278	DNIS	EDM
8006706000	4162077600	DNIS	EDM
8006889733	3995	DNIS	VAN / ED
8007334072	3095	DNIS	EDM
8007618226	4162077178	DID	Toronto
8007657875	8007657875	DNIS	Dundas
8007894226	2515	DNIS	Toronto
8007902277	3279	DNIS	EDM
8007903273	3307	DNIS	EDM
8007906000	3083	DNIS	EDM
8007907000	3172	DNIS	EDM
8007909999	13	DID	Toronto
8008062275	1001		Toronto
8008062665	1002		Toronto
8008063000	3085	DNIS	EDM
8008063273	3995	DNIS	ED
8008065000	4162077600	VOIP	EDM
8008067000	3730	DNIS	Dundas
8008119877	4162363600	DID	Toronto
8008304000	4162077600		Toronto
8008305511	3197/7197	DNIS	EDM
8008305522	3167	DNIS	EDM
8008305533	4162077600	DNIS	EDM
8008306688	3130	DNIS	EDM

8008306888	4162077600	DNIS	EDM
8008334004	3540	DNIS	EDM
8008906965	3028	DNIS	Toronto
8009007567	4168551563	DID	Toronto
8009080086	2622	DNIS	Toronto
8009571177	3272	DNIS/DID	ED/Van
8009572265	3254	DNIS	Toronto
8009572277	6136562979	DID	Dundas
8009572665	6136881904	DID	Magma
8009573000	3070	DNIS	EDM
8009577000	3074	DNIS	EDM
8009582266	Magma_Inside Sales Transfer	DNIS	Toronto
8009582275	7175	DNIS	EDM
8009583000	4162386433	DNIS	EDM
8009585000	4162386109	DID	Dundas
8009585566	3219	DNIS	EDM
8009586000	4162077600	DNIS	EDM
8009587000	4162077600	DNIS	EDM
8009611177	3444	DNIS	Dundas
8009611234	2103	DNIS	DUNDAS
8009612277	8009612277	DNIS	EDM
8009663541	2604	DNIS	Toronto
8009702265	3247/3003	DNIS	EDM
8009702277	3285	DNIS	EDM
8009706000	3002	DNIS	Dundas
8009787595	3907	DNIS	EDM
8009864668	4162077165	DID	Toronto
8009913273	3255	DNIS	Toronto
8009914000	3297/7111	DNIS	EDM
8009915000	3732	DNIS	Toronto
8447506777	i3	DNIS	i3
8556440544	8556440544		
8662195701	3053	DNIS	EDM
8662195702	3054	DNIS	EDM
8662195703	3055	DNIS	EDM
8662195704	3372	DNIS	EDM
8662195705	3345	DNIS	EDM
8662195706	3728	DNIS	Toronto
8662195707	3729	DNIS	Toronto
8662195707	2106	DNIS	Dundas
8662195708	3343	DNIS	EDM

8662220730	3040/7040	DNIS	EDM
8662220760	6136561643	DID	Dundas
8662240157	3347	DNIS	EDM
8662240405	3192	DNIS	EDM
8662240406	3186	DNIS	EDM
8662240407	3201	DNIS	EDM
8662240408	3202	DNIS	EDM
8662240409	3203	DNIS	EDM
8662240410	3204	DNIS	EDM
8662240411	3205	DNIS	EDM
8662240412	3206	DNIS	EDM
8662240413	3207	DNIS	EDM
8662240414	3208	DNIS	EDM
8662240415	3209	DNIS	EDM
8662240417	3210	DNIS	EDM
8662240657	3348	DNIS	EDM
8662243793	3349	DNIS	EDM
8662244645	3350	DNIS	EDM
8662244865	3351	DNIS	EDM
8662246047	3352	DNIS	EDM
8662248245	3353	DNIS	EDM
8662248521	3354	DNIS	EDM
8662248979	3355	DNIS	EDM
8662249043	3356	DNIS	EDM
8662275317	3440	DNIS	Toronto
8662288924	3250	DNIS	Toronto
8662288926	6132884417		Dundas
8662288926	2403	DNIS	Dundas
8662288927	13	DID	Vancouver
8662288928	4165071647	DID	Dundas
8662290384	4168556996	DID	Toronto
8662343966	2701	DNIS	Toronto
8662343967	2102	DNIS	Toronto
8662343968	6132884436	DID	Toronto
8662410621	3618	DNIS	EDM
8662410692	3434	DNIS	EDM
8662410704	3619	DNIS	EDM
8662410843	3435	DNIS	EDM
8662410954	3620	DNIS	EDM
8662411248	3436	DNIS	EDM
8662411374	3621	DNIS	EDM

8662412119	4162077618	DID	Dundas
8662412318	3622	DNIS	EDM
8662412353	6046460912	DID	VAN
8662501289	4166483236	DID	Dundas
8662518571	3009	DNIS	EDM
8662518572	3010	DNIS	EDM
8662518573	8662518573	DNIS	EDM
8662518574	3012	DNIS	EDM
8662518575	3013	DNIS	EDM
8662518576	3050	DNIS	EDM
8662518577	3051	DNIS	EDM
8662518578	3052	DNIS	EDM
8662529887	6136563411	DID	London
8662529888	4168553205	DID	London
8662529889	5194341962	DID	London
8662529890	3357	DNIS	EDM
8662529891	3358	DNIS	EDM
8662529892	3359	DNIS	EDM
8662529893	3360	DNIS	EDM
8662529894	3361	DNIS	EDM
8662529895	I3	DID	Dundas
8662529896	3753	DNIS	Dundas
8662614211	5192664211	DID	LONDON
8662617496	5192664224	DID	LONDON
8662643965	4162077767	DID	Toronto
8662738145	2618	DNIS	Toronto
8662738873	3170	DNIS	Toronto
8662800030	6136881905	DID	Magma
8662801880	3733	DNIS	Toronto
8662857353	8662857353	DNIS	Dundas
8662872503	8662872503	DNIS	Dundas
8662928807	3004	DNIS	EDM
8662974203	4162387239	DID	LONDON
8663082220	4166446194	DNIS	Toronto
8663120651	8663120651	DNIS	Dundas
8663177348	3005	DNIS	EDM
8663177349	3006	DNIS	EDM
8663177350	3008	DNIS	EDM
8663238851	2436	DNIS	Toronto
8663238852	3541	DNIS	EDM
8663238853	3542	DNIS	EDM



8663238854	3543	DNIS	EDM
8663238855	3544	DNIS	EDM
8663238856	3545	DNIS	EDM
8663238857	3546	DNIS	EDM
8663238858	3547	DNIS	EDM
8663238859	3168	DNIS	VAN
8663376255	3599	DNIS	EDM
8663476592	3322	DNIS	EDM
8663476593	3323	DNIS	EDM
8663476595	3324	DNIS	EDM
8663476596	3362	DNIS	EDM
8663476597	3363	DNIS	EDM
8663476598	3325	DNIS	EDM
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8663476601	3365	DNIS	EDM
8663476602	3366	DNIS	EDM
8663476603	3326	DNIS	EDM
8663488591	4162077123	DID	Toronto
8663530363			Dundas
8663583032	6136271129	DID	Dundas
8663593034	4162073049	DID	Dundas
8663593036	6046302586	DID	Dundas
8663593037	4162073047	DID	Dundas
8663593046	4162077073	DID	Dundas
8663675434	3966	DNIS	EDM
8663675435	3967	DNIS	EDM
8663675438	3968	DNIS	EDM
8663675440	3969	DNIS	EDM
8663675441	3970	DNIS	EDM
8663682220	3221	DNIS	Toronto
8663757746	8663757746	DID	Dundas
8663773042	4162078748	DID	Dundas
8663893047	4162073367	DID	Dundas
8663954225	3231	DNIS	Toronto
8663954226	3232	DNIS	Toronto
8663954227	3233	DNIS	Toronto
8663954229	3234	DNIS	Toronto
8663954230	3235	DNIS	Toronto
8663954231	3236	DNIS	Toronto
8663954232	3237	DNIS	Toronto
8663954233	3238	DNIS	Toronto

8663954271	3239	DNIS	Toronto
8663954309	3240	DNIS	Toronto
8663954310	3419	DNIS	Dundas
8663954311	3391	DNIS	Dundas
8663954312	2261	DNIS	Dundas
8663954313	AREA SPLITS	4162074643 4162074644	Dundas, Montreal, Vancouver & London
8663954314	AREA SPLITS	4162074643 4162074644	Dundas, Montreal, Vancouver & London
8663954315	SPARE		
8663954316	SPARE		
8663954317	SPARE		
8663967763	3025	DNIS	EDM
8664008433	2104	DNIS	Toronto
8664367409	3031	DNIS	Toronto
8664691689	8664691689	DNIS	Dundas
8664691691	8664691691	DNIS	Dundas
8664755355	3014	DNIS	EDM
8664755356	3015/7015	DNIS	EDM
8664755357	3016/7016	DNIS	EDM
8664804000	4162077600		
8664814212	6136563567	DID	LONDON
8665074202	5192664202	DID	LONDON
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8665114864	3521	DNIS	EDM
8665114865	3522	DNIS	EDM
8665114866	3523	DNIS	EDM
8665114867	3524	DNIS	EDM
8665114868	3525	DNIS	EDM
8665114869	3526	DNIS	EDM
8665114870	3527	DNIS	EDM
8665114871	3528/7528	DNIS	EDM
8665114872	3529/7529	DNIS	EDM
8665118472	3530/7530	DNIS	EDM
8665118473	3531/7531	DNIS	EDM
8665118474	3532/7532	DNIS	EDM
8665118475	3533/7533	DNIS	EDM
8665118476	3534/7534	DNIS	EDM
8665118477	3535/7535	DNIS	EDM
8665118478	3536/7536	DNIS	EDM
8665118479	3537/7537	DNIS	EDM
8665118480	3538/7538	DNIS	EDM

8665118481	3539/7539	DNIS	EDM
8665250001	7035478478	DID	Toronto
8665250002	2409	DNIS	Toronto
8665250003	2410	DNIS	Toronto
8665250004	2411	DNIS	Toronto
8665250005	2412	DNIS	Toronto
8665394233	4168556983	DID	LONDON
8665412522	8665412522	DNIS	Dundas
8665464698	8665464698	DNIS	Dundas
8665645329	4162077100	DID	Dundas
8665645331	416207065	DID	Vancouver
8665645331	4162077600		Dundas
8665645333	4162386685	DID	Toronto
8665774687	4168551562	DID	Toronto
8665776690	3030	DNIS	Toronto
8665840001	2413	DNIS	Toronto
8665840002	4162077155	DID	London
8665840003	2415	DNIS	Toronto
8665840004	2416	DNIS	Toronto
8665840005	5194349850	DID	LONDON
8665840008	2435	DNIS	Toronto
8665993043	4162387286	DID	Dundas
8666111077	6477261042	DID	Toronto
8666111078	3367	DNIS	EDM
8666111079	6046302556	DID	VancouverVoip
8666111080	2101	DNIS	Toronto
8666257032	4162077032	DID	Dundas
8666337206	3623	DNIS	EDM
8666337209	3399	DNIS	EDM
8666337225	3624	DNIS	EDM
8666337268	3430	DNIS	EDM
8666337319	3625	DNIS	EDM
8666337324	3431	DNIS	EDM
8666337327	3626	DNIS	EDM
8666337334	3627	DNIS	EDM
8666337377	3433	DNIS	EDM
8666364567	3734	DNIS	Dundas
8666452584	6477251251	DID	Toronto
8666774687	4162077600	DID	Dundas
8667043038	6046302563	DID	Dundas
8667107187	4162077082	DID	London

8667107188	7038574391	DID	Toronto
8667197914	3211	DNIS	EDM
8667197915	8667197915	DNIS	EDM
8667197916	3213	DNIS	EDM
8667197917	3214	DNIS	EDM
8667197918	3215	DNIS	EDM
8667197919	3289	DNIS	EDM
8667197920	3290/7290	DNIS	ED
8667197922	3291	DNIS	EDM
8667204000	4162077600		
8667227223	4166446159	DID	Dundas
8667377165	4162077165	DID	Dundas
8667533041	4162073048	DID	Dundas
8667743775	8667743775	DNIS	Dundas
8667744138	8667744138	DNIS	Dundas
8667744138	8667744138	DNIS	Dundas
8667744453	3032	DNIS	Toronto
8667746074	8667746074	DNIS	Dundas
8667746871	3220	DNIS	EDM
8667746872	4168551560	DID	Toronto
8667746873	2420	DNIS	Toronto
8667746874	3418	DNIS	EDM
8667746875			Dundas
8667746876	6477261020	DID	Toronto
8667746876	4162074603	DNIS	Toronto
8667746877	5149045000	DID	Montreal
8667746878	3756	DNIS	Dundas
8667746879	4162077624	DID	London
8667748874	6477261099	DID	Toronto
8667774687	DO NOT USE	DNIS	Toronto
8668018236	6139076579	DID	Dundas
8668018237	6139076580	DID	Dundas
8668018238	6139076581	DID	Dundas
8668018239	6139076585	DID	Dundas
8668204000	4162077600		
8668304000	4162077600		
8668465637	4162077759	DID	Toronto
8668549560	3156	DNIS	EDM
8668549561	3157	DNIS	EDM
8668549562	3158	DNIS	EDM
8668549563	3159	DNIS	EDM

8668549564	3160	DNIS	EDM
8668664687	3020	DNIS	Edmundston
8668688808	7038574506	DID	Toronto
8668688818	8668688818	DNIS	Toronto
8668688828	3080	DNIS	Toronto
8668688838	3079	DNIS	Toronto
8668688868	3084	DNIS	Toronto
8668688878	3081	DNIS	Toronto
8668688898	3082	DNIS	Toronto
8668714395	13	DID	Vancouver
8668714396	2439	DNIS	Toronto
8668714397	13	DID	London
8668714398	2441	DNIS	Toronto
8668714399	2442	DNIS	Toronto
8668714400	5194349850	DID	LONDON
8668714401	6132884507	DID	VancouverVoip
8668714401	2444	DNIS	Dundas
8668714402	2445	DNIS	Toronto
8668714403	5194349850	DID	London
8668714404	2447	DNIS	Toronto
8668773287	2434	DNIS	Toronto
8668888818	2029	DNIS	Toronto
8668888828	7456	DNIS	VAN
8668888858	3086	DNIS	Toronto
8668900385	3445	DNIS	Dundas
8668998199	routed to c3	DID	Toronto
8669214204	5192664204	DID	LONDON
8669214209	5192664209	DID	LONDON
8669254231	6136561239	DID	LONDON
8669373531	3249	DNIS	Toronto
8669403000	8669403000	DID	Dundas
8669504000	4162077600		
8669774687	4162077600	DID	Dundas
8669804000	4162077600		
8772026891	3460	DNIS	EDM
8772026892	3461	DNIS	EDM
8772026893	3462	DNIS	EDM
8772026894	3463	DNIS	EDM
8772026895	3464	DNIS	EDM
8772026896	3465	DNIS	EDM
8772026897	3466	DNIS	EDM

8772026898	3467	DNIS	EDM
8772026899	3468	DNIS	EDM
8772026900	3469	DNIS	EDM
8772073368	4168553279		Dundas
8772077167	41620773356	DID	Toronto
8772114681	7458	DNIS	VAN
8772114682	3375 / 7375	DNIS	EDM
8772114683	3376 / 7376	DNIS	EDM
8772114684	3377 / 7377	DNIS	EDM
8772114685	3378 / 7378	DNIS	EDM
8772114686	3379	DNIS	EDM
8772114687	3380 / 7380	DNIS	EDM
8772114691	6132288313	DID	OTTAWA
8772114692	7460	DNIS	VAN
8772114693	6046890800	DID	Vancouver
8772114694	6477261098	DID	Dundas
8772114695	6477261048	DID	Dundas
8772114696	5196641163	DID	London
8772114697	6046302602	DID	Vancouver
8772114698	3222	DNIS	Guelph
8772166608	4168551737	DID	Toronto
8772166609	3760	DNIS	Toronto
8772166610	6477251250	DID	Toronto
8772166614	4168551540	DID	Toronto
8772166615	2511	DNIS	Toronto
8772166617	2509	DNIS	Toronto
8772166618	4168551556	DID	Toronto
8772166619	3705	DNIS	Dundas
8772166623	13	DID	Oakville
8772166624	3757	DNIS	Dundas
8772166688	3707	DNIS	Dundas
8772183051	6477261072	DID	Toronto
8772183078	2449	DNIS	Toronto
8772183083	4162077056	DID	Vancouver
8772183234	6477251253	DID	Toronto
8772183290	5194349850	DID	London
8772183397	2474	DNIS	Toronto
8772183409	2454	DNIS	Toronto
8772183428	4162074623	DNIS	Toronto
8772183445	6477251253	DID	Toronto
8772235625	2618	DNIS	Toronto

8772361551	3256	DNIS	Toronto
8772361552	3263	DNIS	Toronto
8772361553	3264	DNIS	Toronto
8772361554	3266	DNIS	Toronto
8772361555	3267	DNIS	Toronto
8772361556	3269	DNIS	Toronto
8772361557	3270	DNIS	Toronto
8772361558	3447	DNIS	Toronto
8772361559	3448	DNIS	Toronto
8772361560	3449	DNIS	Toronto
8772364567	Inside Sales	DNIS	Toronto
8772364568	4168551749	DID	Toronto
8772364569	4166446199	DID	Toronto
8772364570	4168551745	DID	Toronto
8772364571	6136561643	DID	Toronto
8772364572	5194349850	DID	Toronto
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8772364574	2427	DNIS	Toronto
8772364575	6048910818	DID	Vancouver
8772364576	2443	DNIS	Toronto
8772365079	3169	DNIS	Toronto
8772365080	3243	DNIS	Toronto
8772365081	3244	DNIS	Toronto
8772365082	3245	DNIS	Toronto
8772365083	3246	DNIS	Toronto
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8772365086	3407	DNIS	Toronto
8772365087	3408	DNIS	Toronto
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8772385715	3413	DNIS	Toronto
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8772385718	3401	DNIS	Toronto
8772385719	3402	DNIS	Toronto
8772385720	3403	DNIS	Toronto
8772385721	3404	DNIS	Toronto
8772501289	4162077600	DID	Toronto

8772556589	3450	DNIS	EDM
8772556590	3451	DNIS	EDM
8772556591	3452	DNIS	EDM
8772556592	3453	DNIS	EDM
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8772556596	3457	DNIS	EDM
8772556597	3458	DNIS	EDM
8772556598	3459	DNIS	EDM
8772572544	5194349850	DID	Toronto
8772584260	3548	DNIS	EDM
8772633054	2489	DNIS	Toronto
8772648521	2717	DNIS	Toronto
8772661313	6477261082	DID	Toronto
8772664205	5192664205	DID	LONDON
8772664206	5192664206	DID	LONDON
8772664207	5192664207	DID	LONDON
8772664208	5199634529	DID	LONDON
8772664210	5192664203	DID	LONDON
8772664213	I3	DID	LONDON
8772664214	5192664241	DID	LONDON
8772664215	5192664215	DID	LONDON
8772664217	4162077766	DID	LONDON
8772677581	7803286867	DID	Vancouver
8772678490	3381 / 7381	DNIS	EDM
8772678510	3382	DNIS	EDM
8772678512	3383	DNIS	EDM
8772678515	3384 / 7384	DNIS	EDM
8772678519	I3	DID	London
8772678520	3758	DNIS	Dundas
8772678522	4168551525	DID	Toronto
8772678523	2478	DNIS	Toronto
8772770752	8772770752	DNIS	Toronto
8772770753	2631	DNIS	Toronto
8772772432	3953	DNIS	EDM
8772792481	3549	DNIS	EDM
8772801738	3601	DNIS	EDM
8772801803	3628	DNIS	EDM
8772801804	I3	DID	Vancouver
8772801805	3629	DNIS	EDM



8772801806	2473	DNIS	Toronto
8772801807	3630	DNIS	EDM
8772801808	2430	DNIS	Toronto
8772801810	3631	DNIS	EDM
8772801813	2437	DNIS	Toronto
8772801814	3632	DNIS	EDM
8772801817	2438	DNIS	Toronto
8772803383	4162074655	DNIS	EDM
8772813056	6046840638	DID	Vancouver
8772832273	2004	DNIS	Dundas
8773029585	2725	DNIS	Toronto
8773043433	4162077600		
8773096451	4168553263	DID	Dundas
8773103528	3708	DNIS	Dundas
8773104586	3709	DNIS	Dundas
8773117747	6048910840	DID	Vancouver
8773466380	3768	DNIS	Dundas
8773532019	4162386240	DNIS	Toronto
8773615663	2504	DNIS	Toronto
8773655068	8773655068	DID	Dundas
8773673424	3710	DNIS	Dundas
8773961122	8715	DNIS	VAN
8773963939	4162077108	DID	Dundas
8774074595	8774074595	DNIS	Dundas
8774280898	2505	DNIS	Toronto
8774332215	8716	DNIS	VAN
8774334042	3017	DNIS	Dundas
8774336263	4162074622	DID	Toronto
8774345623		DID	Dundas
8774372283	6046815346	DID	Vancouver
8774372777	3223	DNIS	Toronto
8774372835	3550	DNIS	EDM
8774461313	7438	DNIS	VAN
8774481313	7439	DNIS	VAN
8774491313	7418	DNIS	VAN
8774562370	2470	DNIS	Toronto
8774562371	4162077018	DID	Windsor
8774562372	6048910816	DID	Vancouver
8774562377	3078	DNIS	Toronto
8774562454	3169	DNIS	Dundas
8774646638			Dundas

8774721233	3711	DNIS	Dundas
8774818008	3636	DNIS	Toronto
8774953770	5194349850	DID	London
8774955822	4162367392	DID	Toronto
8774958834	3551	DNIS	EDM
8774958835	3552	DNIS	EDM
8774958836	3553	DNIS	EDM
8774958837	3554	DNIS	EDM
8774958838	3555	DNIS	EDM
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8775351141	3317	DNIS	EDM
8775534978	4166446108	DID	Dundas
8775605550	3930	DNIS	EDM
8775663661	3712	DNIS	Dundas
8775663668	3713	DNIS	Dundas
8775663669	4162077138	DNIS	Dundas
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8775672957	3557	DNIS	EDM
8775672958	3558	DNIS	EDM
8775672959	3559	DNIS	EDM
8775672960	3560	DNIS	EDM
8775774687	8775774687	DID	Dundas
8775863528	3715	DNIS	Dundas
8775863558	2458	DNIS	Toronto
8775863559	2459	DNIS	Toronto
8775863568	2460	DNIS	Toronto
8775863622	2461	DNIS	Toronto
8775863656	3755	DNIS	Dundas
8775863657	2463	DNIS	Toronto
8775863661	2624	DNIS	Toronto
8775863665	5196641163	DID	Guelph
8775863706	2466	DNIS	Toronto
8775863707	2719	DNIS	Toronto
8775954565	2506	DNIS	Toronto
8776054646	8776054646	DNIS	Dundas
8776216299	6046302564	DID	Vancouver
8776216300	6048910823		Van
8776216301	3036		EDM
8776216302	2715		Dundas
8776216303	2716		Dundas
8776216304	2718		Dundas

8776216305	6477261071	DID	Ottawa
8776216306	6477261060	DID	Dundas
8776216307	2627	DID	Dundas
8776216308	5149048440	DID	Dundas
8776216550	2628	DID	Dundas
8776216551	2381		Dundas
8776216552	2382		Dundas
8776216553	8776216553		Dundas
8776216554	3037		Dundas
8776216555	2803		Dundas
8776216556	4169674414	DID	Magma
8776216557	4162381313	DID	Vancouver
8776216558	2711		Dundas
8776216559	3049		Dundas
8776218528	2719	DNIS	Toronto
8776226245	8776226245	DID	Toronto
8776276133	8776276133	DNIS	Dundas
8776276138	8776276138	DNIS	Dundas
8776276190	8776276190	DNIS	Dundas
8776276191	8776276191	DNIS	Dundas
8776466303	3769	DNIS	Dundas
8776466308	3771	DNIS	Dundas
8776466311	3772	DNIS	Dundas
8776466340	3770	DNIS	Dundas
8776544530	3251	DNIS	Toronto
8776544555	HBCTracy	DID	Dundas
8776544556	8776544556		Dundas
8776544557	3224	DNIS	Dundas
8776544558	3225	DNIS	Dundas
8776544559	3226	DNIS	Dundas
8776544560	3227	DNIS	Dundas
8776544561	3228	DNIS	Dundas
8776544562	HBCTracy	DID	Dundas
8776544563	3229	DNIS	Dundas
8776546706	Allocated		Dundas
8776546707	2710		Dundas
8776546708	2712		Dundas
8776546709	4168551542	DID	Dundas
8776546710	6048910801	DID	Vancouver
8776546711	4168551542	DID	Dundas
8776546712	6136562979	DID	Vancouver

8776546713	6136562985	DID	Vancouver
8776546714	3022	DNIS	Dundas
8776546715	4162073050	DID	Dundas
8776547315	3327	DNIS	EDM
8776547319	3328	DNIS	EDM
8776547335	3329	DNIS	EDM
8776547355	3330	DNIS	EDM
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8776547376	3334	DNIS	EDM
8776547409	3335	DNIS	EDM
8776547414	3336	DNIS	EDM
8776661655	8776661655	DNIS	Dundas
8776774687	3561	DNIS	EDM
8777013088	I3	DID	Dundas
8777016991	3603	DNIS	EDM
8777017598	3098	DNIS	EDM
8777017599	3099	DNIS	EDM
8777017601	3101/7101	DNIS	EDM
8777017602	3102	DNIS	EDM
8777017603	3103	DNIS	EDM
8777017604	3104	DNIS	EDM
8777019558	3005	DNIS	EDM
8777019559	7300	DNIS	EDM
8777019560	3301	DNIS	EDM
8777019561	7301	DNIS	EDM
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8777030565	3125	DNIS	EDM
8777030566	3126	DNIS	EDM
8777030567	3128	DNIS	EDM
8777030568	3127	DNIS	EDM
8777030580	3129/7129	DNIS	EDM
8777030587	3131	DNIS	EDM
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8777030600	3135	DNIS	EDM
8777030601	3136	DNIS	EDM
8777031631	3151	DNIS	EDM
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8777032248	3138	DNIS	EDM
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8777032266	3145	DNIS	EDM
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8777032268	3147	DNIS	EDM
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8777033432	3118	DNIS	EDM
8777033433	3119	DNIS	EDM
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8777033438	3123	DNIS	EDM
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8777039101	3187	DNIS	EDM
8777039450	3604	DNIS	EDM
8777039526	3182	DNIS	EDM
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8777039528	3184	DNIS	EDM
8777039538	3185	DNIS	EDM
8777039539	3181	DNIS	EDM
8777039540	3188/7188	DNIS	EDM
8777040733	3258	DNIS	EDM
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8777040755	3260	DNIS	EDM
8777040777	3261	DNIS	EDM
8777040788	3262	DNIS	EDM
8777040799	3257	DNIS	EDM
8777042825	3265	DNIS	EDM
8777043356	4168551545	DID	Toronto
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8777047363	2471	DNIS	Toronto
8777047416	4168551546	DID	Toronto

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8777430183	3563	DNIS	EDM
8777430184	3564	DNIS	EDM
8777430185	3565	DNIS	EDM
8777430186	3566	DNIS	EDM
8777437225	3605	DNIS	EDM
8777526382	2050	DNIS	Toronto
8777526383	2051	DNIS	Toronto
8777526385	4166447643	DID	Vancouver
8777551934	6046302533	DID	Vancouver
8777551935	4162077141	DID	Dundas
8777593538	2507	DNIS	Toronto
8777633492	3392	DNIS	EDM
8777633493	3393	DNIS	EDM
8777746871	7455	DNIS	EDM
8777746872	3510	DNIS	Toronto
8777746874	2520	DNIS	Toronto
8777746875	3439	DNIS	VAN
8777746876	3438	DNIS	EDM
8777746877	3415	DNIS	Toronto
8777746878	3437	DNIS	EDM
8777746879	2052	DNIS	Toronto
8777746912	3678		Dundas
8777746913	3679		Dundas
8777746914	3680		Dundas
8777746915	3681		Dundas
8777746917	3682		Dundas
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8777746919	3684		Dundas
8777746920	3685		Dundas
8777746921	3686		Dundas
8777746923	3046		Dundas
8777746988	3475	DNIS	Toronto
8777746989	3476	DNIS	Toronto
8777746990	3477	DNIS	Toronto
8777746991	3478	DNIS	Toronto
8777746992	3479	DNIS	Toronto
8777746993	3480	DNIS	Toronto
8777746994	3481	DNIS	Toronto
8777746995	3482	DNIS	Toronto

8777746996	3483	DNIS	Toronto
8777746997	3484	DNIS	Toronto
8777747010	3668		Dundas
8777747011	3669		Dundas
8777747012	3670		Dundas
8777747013	3671		Dundas
8777747014	3672		Dundas
8777747015	3673		Dundas
8777747016	3674		Dundas
8777747017	3675		Dundas
8777747018	3676		Dundas
8777747019	3677		Dundas
8777754646	8777754646	DNIS	Dundas
8777774681	3716	DNIS	Dundas
8777775357	3161	DNIS	EDM
8777775407	3150	DNIS	EDM
8777775417	3162	DNIS	EDM
8777775427	3163	DNIS	EDM
8777775447	3164	DNIS	Toronto
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8777775517	3149	DNIS	EDM
8777775597	3190/7190	DNIS	EDM
8777775607	3191	DNIS	EDM
8777775697	316	DNIS	EDM
8777775698	3148	DNIS	EDM
8777788668	9053376000	DID	Oakville
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8777873225	4169681926	DID	Toronto
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8778015531	7038573716	DNIS	Toronto
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8778015533	3727	DNIS	Toronto
8778015535	2630	DNIS	Toronto

8778015536	7038573717	DNIS	Toronto
8778015538	6136881906	DNIS	Toronto
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8778123484	3638	DNIS	Dundas
8778123485	3639	DNIS	Dundas
8778123486	3640	DNIS	Dundas
8778123487	3641	DNIS	Dundas
8778123488	3642	DNIS	Dundas
8778123489	3643	DNIS	Dundas
8778123490	3644	DNIS	Dundas
8778123491	3645	DNIS	Dundas
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8778123493	3647	DNIS	Dundas
8778123706	4162386271		Oakville
8778123707	4162386246		Oakville
8778123708	3660		Dundas
8778123709	3661		Dundas
8778123710	3662		Dundas
8778123711	3663		Dundas
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8778123854	3689		Dundas
8778123855	3690		Dundas
8778123856	3691		Dundas
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8778216822	6132884409	DID	Ottawa
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8778466339	3775	DNIS	Dundas
8778466341	3776	DNIS	Dundas
8778466357	3777	DNIS	Dundas
8778466359	3778	DNIS	Dundas
8778466360	3779	DNIS	Dundas
8778466381	8778466381	DNIS	Dundas
8778510014	3717	DNIS	Dundas
8778646683	4162077099	DID	Dundas
8778838255	3446	DNIS	Dundas
8778859961	3567	DNIS	EDM
8778903636	4162363636	DID	Toronto
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8779032210	4168551539	DID	Dundas
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8779466307	3788	DNIS	Dundas
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8779468353	7442	DNIS	VAN
8779468354	8779468354	DNIS	VAN
8779468355	7444	DNIS	VAN
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8779484283	4162074608	DID	Dundas
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8882023922	3571	DNIS	EDM
8882028957	3572	DNIS	EDM
8882037325	2455	DNIS	Toronto
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8882166608	3718	DNIS	Dundas
8882166609	8717	DNIS	Dundas
8882166610	8882166610	DNIS	VAN
8882166614	3761	DNIS	Toronto
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8882166619	i3	DID	Dundas
8882166623	3720	DNIS	Dundas
8882166624	7420	DNIS	VAN
8882168766	i3	DNIS	Toronto
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8882221955	3956	DNIS	EDM
8882221988	3947	DNIS	EDM
8882226936	3931	DNIS	EDM
8882228208	4169604111	DID	Toronto
8882228577	2502	DNIS	Toronto
8882229288	3932	DNIS	EDM
8882241616	3956	DNIS	EDM
8882257221	3230	DNIS	Toronto
8882257376	4166446140	DID	Vancouver
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8882283693	3416	DNIS	Toronto
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8882283696	6136881915	DID	Ottawa
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8882361611	3495	DNIS	Toronto
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8882361705	3499	DNIS	Toronto
8882364398	3488	DNIS	Toronto
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8882364401	3485	DNIS	Toronto
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8882364442	3486	DNIS	Toronto
8882364458	3489	DNIS	Toronto
8882364531	3494	DNIS	Toronto
8882364558	3492	DNIS	Toronto
8882489638	2517	DNIS	Toronto
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8882541124	3957	DNIS	EDM
8882545521	3958	DNIS	EDM
8882545524	3959	DNIS	EDM
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8882868181	4162077072	DID	Dundas
8882882280	4168553259	DID	Dundas
8882903043	4162073043	DID	Toronto
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8882986003	2615	DNIS	Toronto
8882986825	TCI VAN		Oakville
8882988498	4162074608	DID	Toronto
8882988596	7431	DNIS	VAN
8882988643	7432	DNIS	VAN
8882988646	3340	DNIS	EDM
8882988649	7433	DNIS	VAN
8882988652	2616	DNIS	Toronto
8883077028	6136561640	DID	Toronto
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8883117747	3721	DNIS	Dundas
8883147164	3961	DNIS	EDM
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8883215043	4166446157	DID	Dundas
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8883571619	3042		Dundas
8883571620	3043		Dundas
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8883571624	6477261009	DID	Dundas
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8883652507	8883652507	DNIS	Dundas
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8883654172	8883654172	DNIS	Dundas
8883727690	3575	DNIS	EDM

8883727714	3576	DNIS	EDM
8883746638	3766	DNIS	Dundas
8883765427	9053822552	DID	Montreal
8883866823	4162077151	DNIS	Toronto
8883866857	4162386249	DID	Toronto
8883872940	4162387239	DID	Montreal
8883889320	4162077773	DID	Dundas
8883961122	7437	DNIS	VAN
8883964949	3077	DNIS	Toronto
8883967729	3609	DNIS	EDM
8883967734	3610	DNIS	EDM
8883967735	4162077044	DID	Toronto
8883967763	6136563684	DID	LONDON
8883967790	3577	DNIS	EDM
8883969797	4162363600	DID	Toronto
8883978604	4162077056	DID	Dundas
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8884000288	2110	DNIS	Toronto
8884006260	3579	DNIS	EDM
8884044887	I3	DID	London
8884044908	3902	DNIS	EDM
8884102687	6477261087	DID	Toronto
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8884103261	2623	DNIS	Toronto
8884104432	I3	DID	Dundas
8884115620	4168551544	DID	Toronto
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8884116072	2476	DNIS	Toronto
8884116073	4168551538	DID	Toronto
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8884321111	2603	DNIS	Toronto
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8884481313	7451	DNIS	VAN
8884491313	4162077748	DID	Vancouver
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8884561283	5197357927	DID	Toronto
8884561289	I3 CLLI	DID	Dundas
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8884561295	2407/Inside Sales	DNIS	Toronto
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8884561366	4162077151	DNIS	Toronto
8884562251	2499	DNIS	Toronto
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8884721233	3722	DNIS	Dundas
8884844405	7803286092	DID	Dundas
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8884992188	2405	DNIS	Toronto
8884992190	3580	DNIS	EDM
8884992191	3581	DNIS	EDM
8884992192	3582	DNIS	EDM
8884995484	4166820999	DID	Toronto
8885018430	2601	DNIS	Toronto
8885028380	4168551505	DID	Toronto
8885028389	2629	DNIS	Toronto
8885138082	3583	DNIS	EDM
8885245623	4162381445	DID	Dundas
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8885245623			Dundas
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8885605688	3963	DNIS	EDM
8885608680	7039944430	DID	McLean
8885608688	3034	DNIS	Vancouver
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8885676757	7434	DNIS	VAN
8885746362	2105	DNIS	Toronto

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8885863529	6136881906	DID	Ottawa
8885868555	4167774150	DID	Toronto
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8886077060	4162077600	DID	Dundas
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8886166244	2608	DNIS	Toronto
8886166247	6477261046	DID	Toronto
8886166248	8886166248	DNIS	Windsor
8886166249	5196641163	DID	Guelph
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8886312251	8886312251	DNIS	Toronto
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8886556351	3344	DNIS	EDM

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8886585969	3636	DNIS	Toronto
8886607050	3443	DNIS	Dundas
8886656673	3937	DNIS	EDM
8886708356	6136563413	DID	Toronto
8886710964	4168553261	DID	Montreal
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8886889733	3394	DNIS	EDM
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8886990039	3634	DNIS	EDM
8886990046	2431	DNIS	Toronto
8886990048	3635	DNIS	EDM
8886990052	2432	DNIS	Toronto
8886990053	3636	DNIS	EDM
8886990054	6477261089	DID	Toronto
8886990055	3637	DNIS	EDM
8886999980	I3	DID	Dundas
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8887009493	4162077123	DID	Toronto
8887013088	3342	DNIS	EDM
8887322615	4169554350	DID	Toronto
8887322857	3725	DNIS	Dundas
8887323876	3751	DNIS	Dundas
8887325312	5067376457	DID	Toronto
8887325942	3075	DNIS	Toronto
8887330241	T9K testing	DNIS	Toronto
8887330258	2724	DNIS	Toronto
8887330346	3368	DNIS	EDM
8887335045	3726	DNIS	Dundas
8887335315	3369	DNIS	EDM
8887386327	5196641163	DID	gUELPH
8887558588	3423	DNIS	EDM
8887558588	3035	DNIS	Vancouver
8887728877	3387	DNIS	EDM
8887771370	3063	DNIS	EDM
8887771371	3064	DNIS	EDM
8887771406	3065	DNIS	EDM
8887771407	3021	DNIS	Dundas
8887910154	3589	DNIS	EDM



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8887910176	3613	DNIS	EDM
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8887910221	3591	DNIS	EDM
8887910226	3592	DNIS	EDM
8887919635	3614	DNIS	EDM
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8887919922	3593	DNIS	EDM
8888009004	3594	DNIS	EDM
8888085790	3701		Dundas
8888099893	4168553250	DID	Toronto
8888125662	6136563562	DID	Vancouver
8888167070	4162077079	DID	Dundas
8888238588	2605	DNIS	Toronto
8888238989	5149405000	DID	Montreal
8888266486	7435	DNIS	VAN
8888296162	2030	DNIS	Toronto
8888296197	5199634559	DID	Toronto
8888296413	3370/3370	DNIS	EDM/VAN
8888386327	3939	DNIS	EDM
8888413418	5149048434	DID	Dundas
8888414291	3762	DNIS	Dundas
8888415256	2419	DID	Toronto
8888416397	8888416397	DID	Dundas
8888417137	6477261073	DID	Toronto
8888417256	4168551742	DID	Toronto
8888417477	2484	DNIS	Toronto
8888417634	4168551821	DID	Dundas
8888417860	2426	DNIS	Toronto
8888419248	13	DNIS	Dundas
8888485316	3616	DNIS	EDM
8888583022	3617	DNIS	EDM
8888584668	2602	DNIS	Toronto
8888651234	6132288313	DID	Toronto
8888762188	3388	DNIS	EDM
8888770217	4162077629	DID	Toronto
8888770222	4162363600	DID	Toronto
8888770223	6046840638	DID	Vancouver
8888809801	3056	DNIS	EDM
8888809803	3057	DNIS	EDM
8888809804	3058	DNIS	EDM

8888809805	3059	DNIS	EDM
8888809807	3060	DNIS	EDM
8888809809	3061	DNIS	EDM
8888809811	3062	DNIS	EDM
8888809893	3442	DNIS	Dundas
8888809894	4169554350	DID	Dundas
8888809895	4162381305	DID	Dundas
8888809896	6046302556	DID	Vancouver
8888814353	3389	DNIS	EDM
8888823297	8714	DNIS	EDM
8888828869	6477261044	DID	Toronto
8888844844	3941	DNIS	EDM
8888889569	6046302625	DID	Dundas
8888947502	4162077196	DID	Toronto
8888950336	3759	DNIS	Toronto
8888950339	3764	DNIS	Dundas
8889030063	3595	DNIS	EDM
8889248899	3596	DNIS	EDM
8889259855	6048910840	DID	Toronto
8889259855	6048910840	DID	VAN
8889468351	7452	DNIS	VAN
8889587901	3194	DNIS	Toronto
8889587902	3195	DNIS	Toronto
8889587903	3196	DNIS	Toronto
8889587904	4162073377		Toronto
8889587905	6477261045	DID	Toronto
8889587906	6477261019	DID	Toronto
8889587908	4168551520	DID	Toronto
8889587909	SPARE DID		Toronto
8889587911	6477261008	DID	Toronto
8889587912	8889587912		Toronto
8889587913	Rob Payne		Toronto
8889587914	3648	DNIS	Toronto
8889587915	3649	DNIS	Toronto
8889587916	TBB	3652	Toronto
8889587917	TBB	3653	Toronto
8889587918	TBB	3654	Toronto
8889587919	TBB	3655	Toronto
8889587920	TBB	3656	Toronto
8889587921	TBB	3657	Toronto
8889587922	TBB	3658	Toronto

8889587923	TBB	3659	Toronto
8889587925	2056	DNIS	Toronto
8889587926	2513	DNIS	Toronto
8889589480	3730	DNIS	Van
8889589481	3731	DNIS	Van
8889589482	3732	DNIS	Van
8889589483	3733	DNIS	Van
8889589484	3734	DNIS	Van
8889589485	3735	DNIS	Van
8889589486	3736	DNIS	Van
8889589487	3737	DNIS	Van
8889589488	3738	DNIS	Van
8889589489	3739	DNIS	Van
8889597934	3420	DNIS	Dundas
8889597935	3421	DNIS	Dundas
8889597936	3422	DNIS	Dundas
8889597937	3423	DNIS	Dundas
8889597938	3424	DNIS	Dundas
8889597939	3425	DNIS	Dundas
8889597940	3426	DNIS	Dundas
8889597941	3427	DNIS	Dundas
8889597942	3428	DNIS	Dundas
8889597943	3429	DNIS	Dundas
8889675368	3090	DNIS	EDM
866 633 7329	3432	DNIS	EDM
8662738874	Souvenir Magazine	DNIS	Dundas
8667504000	4162077600		
8669704000	4162077600		
8774143364	4162078767	DID	Dundas
8882605264	3735	DNIS	Dundas
8883098969	3736	DNIS	Dundas
8885401831	3048	DNIS	Dundas

**Schedule I – Form of Approval and Vesting Order**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
JUSTICE )  
)  
WEEKDAY, THE #  
DAY OF MONTH, 2016

**B E T W E E N:**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PRIMUS TELECOMMUNICATIONS CANADA INC., PRIMUS  
TELECOMMUNICATIONS, INC AND LINGO, INC.**

Applicants

**APPROVAL AND VESTING ORDER**

THIS MOTION, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the "**Vendors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (as may be amended, restated or modified from time to time in accordance with paragraph 2 hereof, the "**Sale Agreement**") between the Vendors and [NAME OF PURCHASER] (the "**Purchaser**") dated [DATE] and appended to the affidavit of [•] sworn [•], and vesting in the Purchaser the Vendors' right, title and interest in and to the assets described and defined in the Sale Agreement as the "**Purchased Assets**" (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [•] sworn [•] and the [First] Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "**Monitor**") of the Vendors and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser and those other parties

present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE] filed:

1. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.

4. THIS COURT ORDERS AND DECLARES that, other than the transfer of the Regulated Customer Relationships which shall vest absolutely in the Purchaser free and clear of and from any and all Encumbrances (as defined below) when such Regulated Customer Relationships transfer to the Purchaser in accordance with the terms of the Sale Agreement, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Monitor's Certificate**"), all of the Vendors' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, taxes, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: **[(i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE]; and (ii)]** all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are

collectively referred to as the "Encumbrances" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS AND DIRECTS:

- (i) the Monitor, from and after the Closing Time, to hold the Regulated Customer Relationships Escrow, if applicable, in escrow, in a segregated bank account in the name of the Monitor (the "**Escrow Account**");
- (ii) the Monitor to release the Regulated Escrow Funds, or any portion thereof, from the Escrow Account to an account to be designated by the Monitor (the "**Designated Account**"), at such times and in such amounts as are contemplated by the Sale Agreement and upon the release of such funds from the Escrow Account the Purchaser shall have no claim, interest or right in or to the portion of the Regulated Escrow Funds released by the Monitor from the Escrow Account to the Designated Account;
- (iii) the Monitor to as soon as reasonably practicable following the day which is 6 months from the Closing Date (the "**Escrow Outside Date**"), return to the Purchaser any amount of the Regulated Escrow Funds remaining in the Escrow Account on the Escrow Outside Date and upon the return of the Remaining Escrow Funds to the Purchaser the Vendors shall have no claim, interest or right in or to the Remaining Escrow Funds;

in each case, unless otherwise ordered by this Court, and in each case the Monitor shall incur no liability with respect to its administration of the Regulated Customer Relationships Escrow, the Escrow Account or the Designated Account.

6. THIS COURT ORDERS that Monitor is authorized to hold the Closing Cash Payment in the Designated Account and that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets, including the net proceeds from

the sale of the Regulated Customer Relationships when released from the Escrow Account shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor's Certificate.

9. THIS COURT ORDERS that upon the registration in the Canadian Intellectual Property Office of a copy of this Order, the applicable Registrar is hereby directed to transfer all of the Vendors' right, title and interest in and to the Purchased Intellectual Property to the Purchaser, free and clear of and from any and all Claims.

10. THIS COURT ORDERS that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.

11. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

12. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendors;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. THIS COURT ORDERS that the Sale Agreement and any ancillary documents related thereto shall not be repudiated, disclaimed or otherwise compromised in these proceedings.

14. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Vendors and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order.



**Schedule A – Form of Monitor’s Certificate**

Court File No. \_\_\_\_\_

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**B E T W E E N:**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
PRIMUS TELECOMMUNICATIONS CANADA INC., PRIMUS  
TELECOMMUNICATIONS, INC AND LINGO, INC.**

Applicants

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the “**Court**”) dated [DATE OF ORDER], Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the “**Vendors**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 and FTI Consulting Canada Inc. was appointed as the Monitor (the “**Monitor**”) of the Vendors.

B. Pursuant to an Order of the Court dated [DATE] (the “**Approval and Vesting Order**”), the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (as may be amended, restated or modified from time to time, the “**Sale Agreement**”) between the Vendors and [NAME OF PURCHASER] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets (other than the Regulated Customer Relationships, which shall vest in the Purchaser in accordance with the terms of the Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Closing Cash Payment; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Vendors and

the Purchaser (as applicable); and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable;
2. The Monitor has received the Closing Cash Payment and the Regulated Customer Relationships Escrow, if applicable; and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**FTI Consulting Canada Inc., in its capacity as  
Monitor of Primus Telecommunications Canada  
Inc., Primus Telecommunications, Inc. and  
Lingo, Inc., and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

## Schedule J – Form of Management Services Agreement

### MANAGEMENT SERVICES AGREEMENT

**THIS MANAGEMENT SERVICES AGREEMENT** (the “Agreement”) is made as of [•], 2016 by and among Birch Communications, Inc., a Georgia corporation (“Manager”), and Primus Telecommunications, Inc., a Delaware corporation and Lingo, Inc., a Delaware corporation (collectively “Sellers”). Each Seller and Manager are referred to individually in this Agreement as a “Party” and, collectively as the “Parties”.

#### WITNESSETH:

A. Sellers, Manager and Primus Telecommunications Canada Inc. have entered into an Asset Purchase Agreement dated as of [•], 2016 (the “Asset Purchase Agreement”), whereby Manager has agreed to purchase the Purchased Assets.

B. The Parties acknowledge and agree that certain Required Approvals must be obtained before certain of the Purchased Assets of Seller may be transferred to Manager and that Sellers have retained *de facto* and *de jure* control of each of such assets pending receipt of the applicable Required Approval(s) required to transfer such assets.

C. In order to assure uninterrupted operation of the Business in the United States and Puerto Rico pending issuance of the Required Approvals, Sellers and Manager desire to enter into this Agreement for the purpose of establishing the terms under which Manager will, in a manner consistent with Applicable Law, and at the direction and control (*de jure* and *de facto*) of Sellers, manage customer and CABS accounts in the United States and Puerto Rico (“Customer Accounts”) pending the necessary Required Approval(s) to transfer such Customer Accounts to Manager.

**NOW, THEREFORE**, in consideration of the above recitals and mutual promises and other good and adequate consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Definitions; Conflicts. Any capitalized term not otherwise defined in this Agreement shall have the meaning assigned to such term in the Asset Purchase Agreement. In the event of any conflict between the terms of this Agreement and the Asset Purchase Agreement, the provision of the Asset Purchase Agreement shall control.
2. Appointment. On the terms set forth in this Agreement, Sellers hereby engage Manager as their sole and exclusive manager of the Customer Accounts, and Manager hereby accepts such sole and exclusive engagement.
3. Duties and Authority of Manager.

(a) Subject to the provisions of Section 4 of this Agreement, during the Term (as defined below) Manager shall have power, authority and responsibility to manage the Customer Accounts in the ordinary course of business.

(b) Nothing contained in this Agreement is intended to give Manager: (i) any right which would constitute a transfer of *de jure* or *de facto* "control" (as defined under Applicable Law) by Sellers of any of the Customer Accounts. The services provided by Manager under this Agreement are not intended to materially diminish or restrict Sellers' ability to comply with their obligations under Applicable Laws. This Agreement shall not be construed to materially diminish or interfere with Sellers' ability to comply with the rules, regulations or directives of any Governmental Authority.

(c) Manager shall be responsible for all costs and expenses to provide telecommunications services to the Customer Accounts via itself and its selected vendors, as well as provide all billing, provisioning, customer service, technical support, repair and other related services. Manager shall be responsible for monitoring all of the administrative and governmental notice, filing, reporting, tax, fee and permit requirements with respect to the Customer Accounts and, when such notices, reports or fees fall due, Manager shall submit to Sellers those notices, reports, invoices or other submissions for Sellers to remit to the appropriate agency (together with documentation supporting the calculations thereon, instructions for remission, and payment reimbursing Sellers for any fees or taxes Sellers must pay each such agency). Manager shall only be responsible for supplying documentation and payment reimbursement to Sellers that relate to the time periods after the Closing Date. Sellers shall promptly forward to Manager any correspondence or communication they receive from any Governmental Authority regarding the Customer Accounts.

(d) Manager shall cooperate with Sellers in providing customer-specific information it may have to the extent required for Sellers to respond to any complaints from any Governmental Authority.

(e) Manager may use Sellers' names and logos on invoices and as part of customer service and in any other capacity required in order to provide the management services for the Customer Accounts.

(f) Upon Sellers' request, Manager will prepare for Sellers draft zero revenue reports and returns, for Sellers' respective officers' signatures. Seller will assist Manager in identifying the necessary returns and reports. Manager shall not be responsible for the quality of such reports, or any deficiencies in Sellers' past reports or filings. In no event shall Manager be responsible for signing any report or filing in Sellers' names or otherwise on behalf of Sellers.

#### 4. Duties and Authority of Seller.

(a) For a period from the Closing Date until the termination of this Agreement, Sellers shall maintain in full force and effect all of their current corporate registrations and filings and FCC and State PUC and other regulatory authorizations, licenses, registrations, tariffs and approvals ("Licenses"). Sellers shall (i) submit all

filings required to keep the Licenses in full force and effect and (ii) be responsible for the costs of maintaining such Licenses. For the avoidance of doubt, Sellers are required to submit any and all filings and any payments relating to such filings that relate to time periods prior to the Closing Date, including but not limited to FCC 499 filings and related payments.

(b) Sellers shall cooperate fully with Manager in obtaining all Required Approvals required to complete the transactions contemplated by the Asset Purchase Agreement, including without limitation by providing any necessary information and signatures and promptly resolving any prior failures by Sellers to comply with any License.

5. Term. The term of this Agreement (the "Term") shall commence on the Closing Date and shall automatically terminate upon the earlier of (i) the consummation of the transfer of all of the Customer Accounts to Manager pursuant to Section 8.1 of the Asset Purchase Agreement, or (ii) nine months after the date hereof.

6. Management Fee. In consideration for the services provided by Manager to Sellers hereunder, Manager shall collect and retain all accounts receivable, credits, receipts and compensation related to the Customer Accounts for the Term and thereafter, as fully as if Seller had transferred the Customer Accounts to Manager at the Closing pursuant to the Asset Purchase Agreement.

7. Regulatory Compliance. The Parties desire that this Agreement and the obligations hereunder be in full compliance with (i) the terms and conditions of the Sellers' State PUC licenses; (ii) all applicable rules, regulations and policies of the FCC and State PUCs; (iii) the Communications Act of 1934, as amended, (the "Act"); and (iv) any other Applicable Law. If the FCC or any State PUC determines that any provision of this Agreement violates any applicable rules, regulations, or policies, the Parties shall make reasonable efforts to immediately bring this Agreement into compliance, consistent with the terms of this Agreement. It is expressly understood by the Parties that nothing in this Agreement is intended to give, or shall be construed to give, Manager any right which would be deemed to constitute a transfer of control or an assignment (as "control" and "assignment" is defined in the Act, and/or any applicable FCC or state regulations, rules or case law) by the Sellers of any of the Customer Accounts, FCC licenses, or State PUC licenses of Sellers, during the Term hereof.

8. Assignment of Rights Under Agent Agreements. Sellers hereby assign to Manager, the right to enforce the non-solicitation of customer clauses under all agreements, whether or not terminated or expired, with agents or similar dealer and agent sales agreements between Sellers and third parties ("Agent Agreements").

9. Assignment of Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties (which shall not be unreasonably withheld or delayed); provided, however, that

Manager may assign this Agreement and its rights, interests and obligations hereunder at any time to any Affiliate. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, and no other person shall have any right, benefit or obligation under this Agreement as a third party beneficiary or otherwise.

10. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be given in accordance with Section 9.2 of the Asset Purchase Agreement or to such other place and with such other copies as any Party may designate as to itself by written notice to the other Parties.

11. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED, INTERPRETED AND THE RIGHTS OF THE PARTIES DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA (WITHOUT REFERENCE TO THE CHOICE OF LAW PROVISIONS OF GEORGIA LAW).

12. Entire Agreement; Amendments and Waivers. This Agreement together with the Asset Purchase Agreement, including all Exhibits and Schedules thereto, constitute the entire agreement among the parties pertaining to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties hereto. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, binding upon the parties hereto. A facsimile signature page shall be deemed an original, unless an original is required by Applicable Laws.

14. Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

15. Indemnification by Manager. Manager will indemnify and hold harmless the Sellers and all officers, directors, employees, stockholders, partners, members and agents of the Sellers (individually, a "Seller Indemnitee") from and against any and all damages arising out of Manager's gross negligence or willful misconduct in connection with the performance of the services under this Agreement.

*[Signature page follows.]*

Executed on the date first set forth above.

**PRIMUS TELECOMMUNICATIONS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LINGO, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BIRCH COMMUNICATIONS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule K – Regulated Customer Relationship Values by State**

State	Value
CA	\$799,781.19
FL	\$183,078.06
NY	\$152,625.83
TX	\$113,420.86
MD	\$103,938.73
MN	\$91,721.37
AZ	\$77,498.18
IL	\$72,392.41
NJ	\$64,916.12
AR	\$55,069.29
VA	\$53,792.85
MI	\$52,881.11
MA	\$48,687.09
GA	\$45,769.51
WI	\$43,946.02
WA	\$43,398.98
OH	\$41,575.49
NC	\$41,028.45
MO	\$37,199.12
PA	\$33,552.15
CO	\$30,634.57
IA	\$29,175.78
AL	\$27,716.99
KS	\$26,075.86
NV	\$22,428.88
OR	\$20,058.35

ND	\$18,599.56
CT	\$16,229.03
ME	\$15,317.29
IN	\$13,676.15
UT	\$12,946.75
ID	\$12,946.75
NH	\$10,758.57
TN	\$10,211.52
VT	\$9,664.48
NE	\$8,570.39
SC	\$7,840.99
SD	\$7,476.29
LA	\$6,929.25
KY	\$6,017.51
OK	\$5,288.11
DC	\$4,376.37
NM	\$4,011.67
DE	\$3,646.97
MS	\$3,282.28
RI	\$2,917.58
MT	\$2,735.23
WV	\$2,188.18
HI	\$1,094.09
WY	\$547.05
AK	\$364.70
TOTAL	\$2,500,000.00



# **EXHIBIT G**

Court File No. \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC.,  
PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.**

**Applicants**

**APPLICATION RECORD  
(For the Initial Application returnable January 19, 2016)**

January 18, 2016

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
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Lawyers for the Applicants

# INDEX

Court File No. \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC.,  
PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.**

Applicants

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Court File No. \_\_\_\_\_

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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**(Applicants)**

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing on January 19, 2016, at 10:00am, at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date January 19, 2015

Issued by \_\_\_\_\_  
Local registrar

Address of 330 University Avenue,  
court office Toronto, Ontario

TO: **THE SERVICE LIST**

### APPLICATION

1. PT Holdco, Inc. ("**Holdco**"), Primus Telecommunications Canada Inc. ("**Primus Canada**"), PTUS, Inc. ("**PTUS**"), Primus Telecommunications, Inc. ("**PTI**") and Lingo, Inc. ("**Lingo**", and together with PTUS and PTI, the "**U.S. Primus Entities**", and collectively with Holdco and Primus Canada, the "**Primus Entities**" or the "**Applicants**") make this application for an Initial Order substantially in the form attached at tab 3 of the Application Record, among other things:

- (a) abridging the time for service of this Notice of Application and dispensing with service on any person other than those served;
- (b) declaring that the Primus Entities are parties to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") applies;
- (c) appointing FTI Consulting Canada Inc. as an officer of this Court to monitor the assets, businesses and affairs of the Primus Entities (in such capacity, the "**Monitor**");
- (d) staying all proceedings taken or that might be taken in respect of the Primus Entities, their directors and officers and the Monitor;
- (e) authorizing the Primus Entities to file with this Court a plan of compromise or arrangement;
- (f) restraining all persons having oral or written agreements with the Primus Entities or statutory or regulatory mandates for the supply of goods and/or services to the Primus Entities, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, and, for greater certainty, the credit card



processing services provided by Chase Paymentech Solutions, from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Primus Entities;

- (g) granting the following charges over the property of the Primus Entities, to rank behind all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, in favour of any Person that has not been served with notice of this order, including, subject to further Order of this Court :
- i. a charge in favour of counsel to the Primus Entities, the Monitor and the Monitor's counsel in the amount of \$1,000,000 (the "**Administration Charge**") to secure payment of their fees and disbursements incurred in connection with this proceeding; and
  - ii. a charge to protect the directors and officers of the Primus Entities from certain potential liabilities in the amount of \$3,100,000 million (the "**D&O Charge**");
- (h) authorizing the Monitor to act as the foreign representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including, if deemed advisable by the Primus Entities, to apply for recognition of these proceedings in the United States pursuant to Chapter 15 of the *United States Code*, 11 U.S.C. §§ 101- 1532 and to take such other steps as may be authorized by the Court and any ancillary relief in respect thereto;
- (i) granting such further and other relief as this Court may deem just.

2. The grounds for the application are as follows:

### **The Applicants**

- (a) Holdco and Primus Canada are private companies incorporated under the *Business Corporations Act*, RSO 1900, c B 16, with registered head offices in Toronto, Ontario. PTUS, PTI, and Lingo are private companies incorporated under the laws of Delaware, with registered head offices in Wilmington, Delaware;
- (b) Holdco is the principal holding company of the Primus Entities, with PTUS and Primus Canada the wholly owned subsidiaries of Holdco. PTUS is the holding company for PTI and Lingo, which are the Primus Entities' U.S. operating companies. Primus Canada is the Primus Entities' Canadian operating company;
- (c) The Primus Entities carry on business in Canada and the United States re-selling telecommunications services;
- (d) The Primus Entities employ approximately 530 people in Canada and the United States;

### **The Primus Entities' Financial Difficulties**

- (e) The Primus Entities have been and continue to be facing severe liquidity issues due to, *inter alia*, over-leverage, revenue declines and high capital costs. The Primus Entities' significant fixed costs have hindered their ability to respond to such revenue declines;
- (f) As a result of, *inter alia*, the decline in demand for long-distance, local phone, and pre-paid calling cards, and combined with the Primus Entities' inability to offer mobile telephone services and to compete with service bundles, earnings before interest, taxes, depreciation and

amortization (“EBITDA”) and net operating profits have deteriorated over the last three years, and continue to deteriorate;

### **The Primus Entities are Insolvent**

- (g) The Primus Entities do not have the liquidity to meet their payment obligations as they become due and they are unable to satisfy the financial covenants set out in their secured credit agreements;
- (h) The Primus Entities have defaulted under these credit agreements which, if enforced, the Primus Entities would not be able to satisfy. The Primus Entities have operated under forbearance agreements in respect of these defaults since February 4, 2015;
- (i) The Primus Entities have been unable to successfully restructure their business and operations outside of formal insolvency proceedings;
- (j) Without protection under the CCAA, a shut-down of operations or the commencement of self-remedy measures by creditors is inevitable, which would be extremely detrimental to the Primus Entities’ employees, suppliers, customers, and other stakeholders;

### **Other Grounds**

- (k) The provisions of the CCAA, including ss. 2(1), 3(1), 11.02(3), 11.51, 11.52(2) and 56;
- (l) The inherent and equitable jurisdiction of this Court;
- (m) Rules 2.03, 3.02, 14.05(2), 16 and 38 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(n) such further and other grounds as counsel may advise and this court may permit.

3. The following documentary evidence will be used at the hearing of the application:

- (a) the Affidavit of Michael Nowlan sworn January 18, 2015, and the exhibits attached thereto;
- (b) the Pre-Filing Report of FTI Consulting Canada Inc., as proposed Monitor; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

January 19, 2015

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
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**Lawyers for the Applicants**

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

Court File No: \_\_\_\_\_

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF APPLICATION**

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**TAB 2**

Court File No. \_\_\_\_\_

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.**

**Applicants**

**AFFIDAVIT OF MICHAEL NOWLAN  
(Sworn January 18, 2016)  
(Re CCAA Initial Application)**

I, Michael Nowlan, of the Town of Newmarket, in the Province of Ontario,  
MAKE OATH AND SAY:

1. I am the Chief Executive Officer of the Applicants PT Holdco, Inc. ("**Holdco**"), Primus Telecommunications Canada Inc. ("**Primus Canada**"), PTUS, Inc. ("**PTUS**"), Primus Telecommunications, Inc. ("**PTI**") and Lingo, Inc. ("**Lingo**", and together with PTUS and PTI, the "**U.S. Primus Entities**", and collectively with Holdco and Primus Canada, the "**Primus Entities**" or the "**Applicants**"). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records of the Primus Entities and have spoken with certain of the directors, officers and/or employees of the Primus Entities, as necessary, and where I have relied upon such information do verily believe such information to be true.
2. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

## A. INTRODUCTION

3. This affidavit is sworn in support of an application by the Primus Entities for an order (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).

4. The Primus Entities are also seeking this Court’s authorization to apply for recognition of these CCAA proceedings as a “foreign main proceeding” under Chapter 15 of Title 11 of the United States Code (the “**Bankruptcy Code**”) and authorizing FTI Consulting Canada Inc. (“**FTI**”), if appointed monitor (in such capacity, the “**Monitor**”) in these proceedings, to act as the Applicants’ Chapter 15 “foreign representative”.

5. The Primus Entities carry on business in Canada and the United States re-selling telecommunications services. Primus Canada offers a wide selection of residential and business telecommunications services including: internet, voice over internet protocol (“**VoIP**”)¹, hosted private branch exchange (“**H-PBX**”)², local phone, long distance phone, pre-paid calling cards and wholesale long distance capacity to smaller telecommunications service providers. The U.S. Primus Entities provide digital home phone and other telecommunication services to residential and commercial customers. The Primus Entities do not provide wireless phone services.

6. As described in greater detail below, the Primus Entities, with assistance from their professional advisors, have been and continue to be facing severe liquidity issues due to, among other things, over-leverage, revenue declines and high capital costs. As a result, the Primus Entities have been unable to meet various

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¹ “VoIP” refers to the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks, such as the internet.

² “H-PBX” refers to phone systems that utilize cloud-based technology and allow the host (in this case, the Primus Entities) to centrally manage its customers’ systems, and without a related capital investment by the customer.



financial and other covenants with their secured lenders, do not have the liquidity needed to meet their ongoing payment obligations with their senior secured lenders, have entered into forbearance arrangements with them and began considering restructuring alternatives.

7. As part of their restructuring efforts, the Primus Entities, with assistance from their professional advisors, have conducted a thorough canvass of the market for prospective purchasers of their assets and business which resulted in several offers. One offer to purchase substantially all of the assets of the Primus Entities is considered by the boards of directors of the Primus Entities to be the best in the circumstances.

8. That offer and the resulting APA (as defined and described in greater detail below) is conditional upon a CCAA filing and Court approval. The Primus Entities intend to return to the Court to seek approval of the offer and resulting APA, and certain related relief, at a later date on notice to appropriate parties. Based on the purchase price under the APA, it is currently anticipated that the Primus Entities' first-ranking secured creditors will suffer a shortfall in recovering on their debt.

9. At this time, however, the Primus Entities are only seeking protection under the CCAA and certain ancillary relief as outlined in the draft Initial Order.

10. Without protection under the CCAA, a shut-down of operations or the commencement of self-remedy measures by creditors are inevitable, which would be extremely detrimental to the Primus Entities' employees, suppliers, customers, and other stakeholders. CCAA protection will allow the Primus Entities to implement the sale of their assets for the benefit of all their stakeholders.

11. The board of directors of each of the Primus Entities has authorized this Application.

## B. THE PRIMUS ENTITIES

### Corporate Structure

12. Holdco is a private company incorporated under the Ontario *Business Corporations Act*, R.S.O. 1900, c. B. 16 (the "OBCA"). Holdco holds 100% of the shares of Primus Canada and PTUS. Holdco's registered head office is located at 5343 Dundas Street West, Suite 400, Toronto, Ontario.

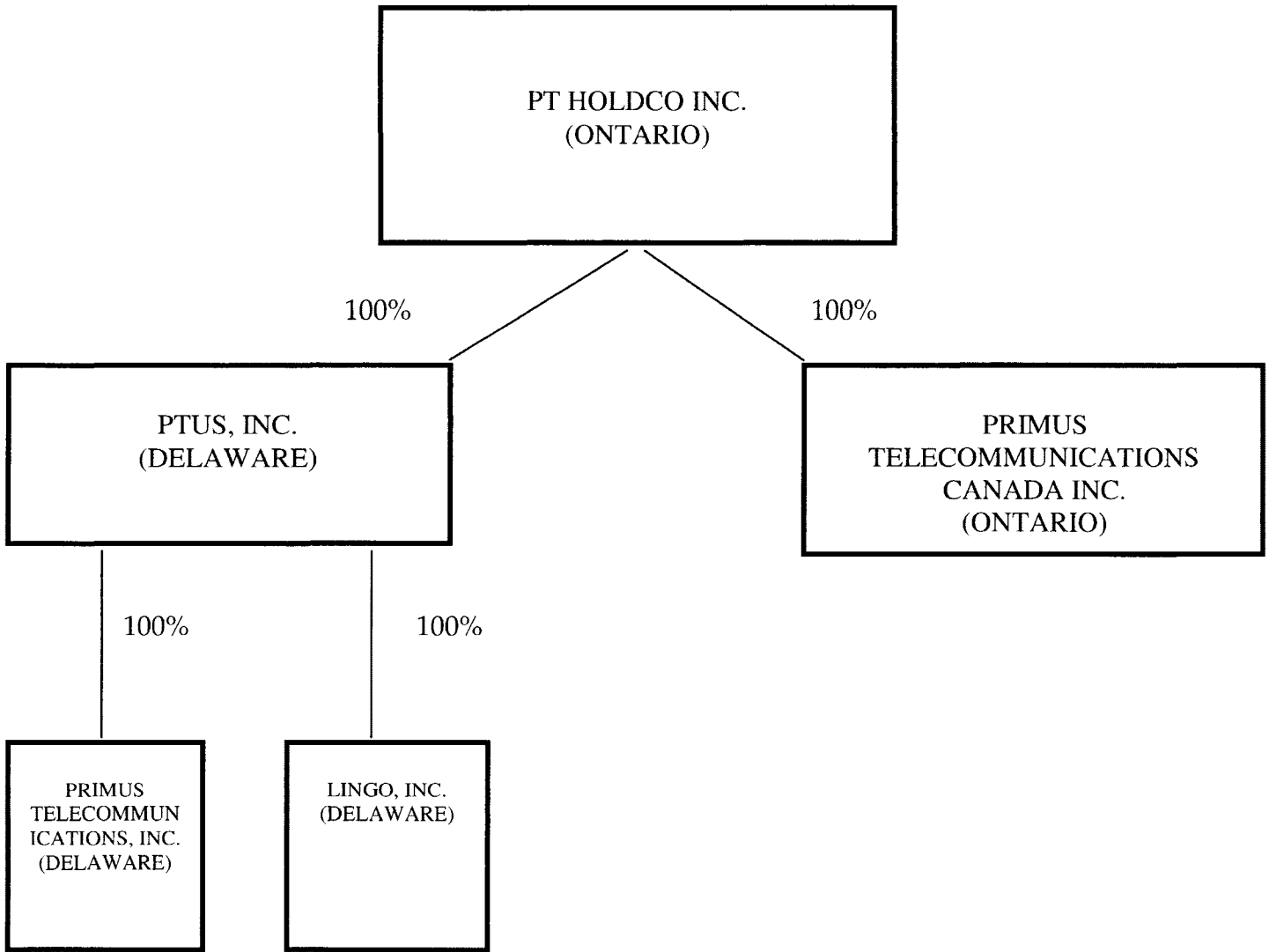
13. Primus Canada is a private company incorporated under the OBCA. Primus Canada is the Primus Entities' Canadian operating company. Primus Canada's registered head office is located at 5343 Dundas Street West, Suite 400, Toronto, Ontario.

14. PTUS is a subsidiary of Holdco and a private company incorporated under the laws of Delaware. PTUS holds 100% of the shares of PTI and Lingo and has no independent operations. PTUS's registered head office is located at 2711 Centreville Road, Suite 400, Wilmington, New Castle County, Delaware.

15. PTI is a private company incorporated under the laws of Delaware. PTI is in the business of selling telecommunications services primarily consisting of telephone and long distance voice services. PTI's registered head office is the same as PTUS.

16. Lingo is a private company incorporated under the laws of Delaware. Lingo offers VoIP telephone and long-distance voice services to both residential and small business customers. Lingo's registered head office is the same as PTUS.

17. The following chart shows the corporate structure of the Primus Entities, with the percentages reflecting equity interests.



### The Business of the Primus Entities

18. The Primus Entities re-sell a wide selection of residential and business telecommunications services (with the exception of wireless phone services). The revenue generated by Primus Canada accounts for approximately 88% of the Primus Entities' gross revenue. 78% of Primus Canada's revenue is generated in Ontario, with 10% in Quebec, 6% in British Columbia, 4% in Alberta, and 2% from other provinces. The U.S. Primus Entities generate the balance of the Primus Entities' gross revenue.

#### *Primus Canada*

##### The Telecommunications Industry

19. The Canadian telecommunications industry operates under the supervision of the Canadian Radio-television and Telecommunications Commission (the "CRTC"), and is regulated by the *Telecommunications Act*, S.C. 1993, c. 38. As discussed in greater detail below, where the CRTC determines there is inadequate or limited market competition, the CRTC regulates matters such as certain rates, the terms and conditions under which carriers provide services, the exchange of telecommunications traffic between carriers, and inter-carrier arrangements.

20. The major carriers in Canada's telecommunications services industry are BCE Inc. ("**Bell**"), Rogers Communications Inc. ("**Rogers**"), Telus Corporation ("**Telus**"), MTS Inc./Allstream Inc. ("**Allstream**") and Shaw Communications Inc. ("**Shaw**" and together with Bell, Rogers, Telus and Allstream, the "**Major Carriers**").

21. The Major Carriers are Canada's five largest telecommunications service providers ("**TSPs**"). Combined, including their affiliates, they accounted for more than 84% of total market revenues in 2014. The next five largest TSPs accounted for

9% of total market revenues in 2014. Accordingly, the top 10 TSPs collectively capture 93% of industry revenues; the remaining TSPs capture the balance.

22. The top 10 TSPs are facilities-based service providers, meaning that they own and operate the majority of the transmission equipment required to provide their telecommunications services. The vast majority of the remaining TSPs are “re-sellers”.<sup>3</sup>

23. “Re-sellers” are TSPs who acquire (and require) wholesale services from other TSPs to provide telecommunications services to their own customers. Under a typical re-selling agreement, the wholesaler is responsible for physical service delivery and the re-seller manages the customer relationship. As a result, the wholesalers own and operate the majority of the necessary infrastructure to provide telecommunications services but the consumers deal exclusively with the re-seller.

24. The CRTC has mandated that the Major Carriers make certain services available to re-sellers. The Major Carriers sell these services to Primus Canada (and other re-sellers) at prices determined by the CRTC; all other services offered by Primus Canada are purchased at negotiated rates.

### Services

25. Primus Canada offers a wide selection of residential and business telecommunications services. Residential services include VoIP, residential internet services, traditional local phone, long distance phone, and pre-paid calling cards. Business services include H-PBX, local line, long distance, internet and data access services to small-to-medium-sized businesses. Primus Canada also provides wholesale long distance capacity and ancillary services to smaller

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<sup>3</sup> CRTC Telecommunications Monitoring Report:  
<http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cm5r.htm#a5d>

telecommunications service providers. Primus Canada provides its services exclusively through re-selling, as described below.

26. Primus Canada does not own sufficient telecommunications network infrastructure to service its customers without purchasing services from a Major Carrier.

27. Primus Canada conducts its business through re-selling other TSPs' (primarily the Major Carriers) services purchased at wholesale rates determined by the CRTC, or through rates negotiated directly with the TSPs (the "**Re-Sell Services**"). The majority of Primus Canada's gross revenue is earned through the provision of Re-Sell Services.

28. Certain elements of Primus Canada's services are supplied from 83 "co-locations" which it rents from Bell (74), Telus (5), and Allstream (4). The CRTC obligates the Major Carriers to make space at certain of their facilities available for rent by secondary carriers at a fixed cost (a "co-location arrangement"). Primus Canada maintains hardware at such co-locations and these co-locations allows it to supply local phone, internet, and VoIP services for higher margins.

29. The CRTC regulates what services the Major Carriers must make available to secondary carriers at co-locations. Currently, the services provided by secondary carriers like Primus from co-locations are limited. For example, the higher margin internet offered by Primus Canada through its equipment located in the co-location sites is very restricted in the speeds offered and the geographic range of service covered due to several factors regulated by CRTC which limit competitive access to the Major Carrier fiber network from the co-location sites to the end customer.

### Suppliers

30. Primus Canada is heavily dependent on the Major Carriers for both the Re-Sell Services business and the co-locations business. Primus Canada's largest Re-

Sell Services vendors are Bell, Allstream, Rogers and Telus, accounting for approximately 50% of all supplier obligations to Primus Canada as at November 30, 2015. Bell is Primus Canada's single largest vendor.

31. Primus Canada is also heavily dependent on its credit card processing service providers, including, without limitation, Chase Paymentech Solutions, Inc. ("Chase"). Approximately 30% of Primus Canada's customers pay for their services via credit card. Customers contract for services by the Primus Entities and arrange to pay for these services going forward by credit card. The credit card issuer extends credit to the cardholder by debiting the cardholder's credit card account. Upon being notified of the transaction, Chase pays the applicable Primus Entity and subsequently receives payment from the credit card issuer who deals with payment from the credit card holder. There is a protocol in place for post-processing rejection and restitution, which is set out in the credit card processing agreement between the parties. Without Chase, Primus Canada is unable to process any credit card transactions.

#### Customers

32. Primus Canada has approximately 204,000 residential customers and 23,000 commercial accounts. In 2015, approximately 56% of Primus Canada's revenue was generated from residential customers, and approximately 44% was generated from commercial customers.

33. Typical residential agreements are for terms of two years or less. Primus Canada's commercial customer contracts are generally for two to three year terms. If a residential customer prematurely terminates their agreement, he or she is required to pay out the balance of the contract's term. For commercial contracts, early termination penalties vary among contracts but generally consist of a cancellation fee of 50 to 70% of the amount payable for the remaining contract term.

### Licensing

34. Primus Canada holds the following regulatory authorizations:
- (a) Reseller of Telecommunications Services Registration (CRTC);
  - (b) Basic International Telecommunications Services License (CRTC);
  - (c) Digital Subscriber Line Provider Registration (CRTC);
  - (d) Reseller of High Speed Internet Service Registration (CRTC);
  - (e) Competitive Local Exchange Carrier Registration (“CLEC”); Recognition of Fulfillment of CLEC Obligations and Permission to Operate as a Type 1 and Type 3 CLEC (CRTC).
35. The above authorizations are material to the business of Primus Canada. Without them, Primus Canada’s business could not operate.

### Market Competition

#### *Other Carriers*

36. Primus Canada competes against the Major Carriers, whose collective market share is 84%. By comparison, the market share of Primus Canada is approximately 0.6% of wireline revenues.
37. The Major Carriers offer a broader range of services than those offered by Primus Canada, such as cellular and television. These services are offered on a bundled basis with products that compete with Primus Canada’s products, which Primus Canada cannot do.



38. Primus Canada competes against the Major Carriers for customers by offering services at lower price points and offering services tailored to medium-sized businesses.

39. Primus Canada also competes against other secondary carriers – *i.e.*, non-Major Carriers – including, for example, TekSavvy Solutions Inc., Comwave Networks Inc., Yak Communications (Canada) Corp. and Distributel Communications Limited. According to the CRTC, secondary carriers such as Primus make up 87% of the number of competitors in the wireline services marketplace while accounting for only 6% of the total telecommunications revenue in Canada in 2014.<sup>4</sup>

*CRTC Review*

40. The current regulatory environment does not require Major Carriers to make their residential “fiber to the home” (“FTTH”) network available to secondary carriers. This limits the ability of secondary carriers to offer residential high-speed internet services in areas where the fiber-optic network is the only mode of offering residential high-speed internet. A CRTC ruling on July 22, 2015 proposed to open access to FTTH services for secondary carriers over a period of time. Bell Canada has appealed this ruling to the Federal Cabinet and the outcome of that appeal is still pending.

41. The current regulatory environment restricts the means by which Primus Canada, and secondary carriers generally, can sell residential high-speed internet services purchased from the Major Carriers. The same July 22, 2015 ruling, among other things, mandates the Major Carriers to broaden the means by which

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<sup>4</sup> CRTC Telecommunications Monitoring Report:  
<http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr5.htm#a5d>

secondary carriers can Re-Sell residential high-speed internet services from co-locations, referred to as Disaggregated Broadband Service (“DBS”).

42. Once implemented, DBS could increase Primus Canada’s profitability by utilizing its co-location sites to more profitably deliver high-speed internet services to residential customers. The details of the implementation of DBS have yet to be determined, including details on network interconnections and costs to be charged under this new regulatory framework. Bell has sought to have the CRTC “review and vary” its July 22, 2015 decision and the outcome of this application are pending.

43. Primus Canada is unable to quantify the potential impact of the July 22, 2015 ruling due to the uncertainty surrounding the implementation details and the outcomes from the various Bell challenges. However, Primus Canada believes that it would enjoy a competitive advantage over other secondary carriers under the DBS regulatory structure because Primus Canada’s co-location infrastructure is significantly more developed than other secondary carriers. Even so, it is expected that the implementation of such a ruling by the CRTC would be 12 to 18 months.

### *U.S. Primus Entities*

#### Services

44. The U.S. Primus Entities account for 12% of the Primus Entities’ gross revenue.

45. The U.S. Primus Entities primarily offer digital home phone service via VoIP technology which accounts for 39% and long-distance phone which accounts for the balance of their revenue.

### Suppliers

46. The U.S. Primus Entities' largest supplier currently is PTGi International Carrier Services, Inc. ("PTGi-ICS"). PTGi-ICS is the wholesale supplier of long-distance phone service for resale by PTI; however, PTGi-ICS recently gave notice to terminate this agreement effective March 31, 2016.

### Customers

47. The U.S. Primus Entities have approximately 27,000 residential customers. Approximately 1,100 customers are located in Puerto Rico; the balance of the U.S. Primus Entities' customers are located in the United States.

### Regulatory Environment

48. The Federal Communications Commission (the "FCC") regulates telecommunications policies in the United States. Given the small size of the U.S. Primus Entities' business, any changes in FCC policy are not expected to materially impact the Primus Entities' overall performance.

49. The U.S. Primus Entities are fully compliant with the American telecommunications licensing regime.

### Integration between U.S. Primus Entities and Canadian Primus Entities

50. The Primus Entities' business is intertwined throughout the various Primus Entities' corporations. The Primus Entities share networks, platforms, infrastructure and personnel, including senior management.

51. More particularly, certain functions are completely integrated across all Primus Entities. The Primus Entities' executive management, located in Canada, is responsible for the strategic direction of the U.S. Primus Entities, and the Primus

Entities' Human Resources department, also located in Canada, is responsible for such functions on an entity-wide basis.

52. Employees of the U.S. Primus Entities also support Canadian operations. For example, certain American customer care employees provide support to Canadian customers and certain American engineers assist with Canadian network support.

**Employees**

53. As at December 9, 2015 the Primus Entities employed approximately 500 people in Canada and 28 in the United States. The Primus Entities' employees by location are summarized below:

<b>Location</b>	<b>Primus Entity</b>	<b>Employees</b>
<b>Canada</b>		
Toronto	Primus Canada	242
London	Primus Canada	3
Vancouver	Primus Canada	11
Markham	Primus Canada	12
Ottawa	Primus Canada	81
Edmundston	Primus Canada	147
<b>United States</b>		
Cedar Rapids, IO	PTI	4
Tampa, FL	PTI	4

54. In addition to the above, there are 6 employees in Canada and 20 in the United States who have made arrangements to work off-site.

55. The Primus Entities' workforce is non-unionized.

56. The Primus Entities do not have a pension plan for their employees.

## Offices and Facilities

### *Canada*

57. Primus Canada leases its head office in Toronto, Ontario.
58. Primus Canada has two primary “switch sites”<sup>5</sup> located at 151 Front Street West, Toronto, Ontario, and 555 West Hastings Street, Vancouver, British Columbia.
59. Primus Canada leases sales and support offices in London, Ontario and Vancouver, British Columbia.
60. Primus Canada leases an office located in Markham, Ontario.
61. Primus Canada leases two customer support centres located in Ottawa, Ontario, and Edmundston, New Brunswick.

### *United States*

62. PTI leases office space in Cedar Rapids, Iowa. Four employees work out of that location and support the Primus Entities’ Canadian and U.S. operations.
63. PTI also leases and operates an office in Tampa, Florida. Four employees work out of that location and their primary role is to provide customer support for the Puerto Rico customer base.

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<sup>5</sup> Central facilities from which the Primus Entities’ deliver services.

### Cash Management System

64. In the ordinary course of their business, the Primus Entities use a centralized cash management system (the “**Cash Management System**”) to, among other things, collect funds and pay expenses associated with their operations.

65. As particularized below, the Primus Entities maintain bank accounts in both Canada and the U.S. for their Canadian and U.S. operations as well as accounts related to the holding companies.

66. In Canada, the Primus Entities maintain 13 bank accounts with the Bank of Montreal (“**BMO**”), consisting of:

- (a) 8 bank accounts for Primus Canada;
- (b) 2 bank accounts for Holdco;
- (c) 1 bank account for PTUS;
- (d) 1 bank account for Lingo; and
- (e) 1 bank account for PTI.

67. In the United States, the Primus Entities maintain 11 bank accounts: one account with Banco Popular in Puerto Rico, one bank account with U.S. Bancorp (“**US Bank**”), and 9 bank accounts with Bank of America (“**BOA**”).

68. In Canada,

- (a) disbursements required to operate the business are made out of two BMO Canadian dollar disbursement accounts; the US dollar operating account; or the primary operating concentration account, all accounts being in the name of Primus Canada;

- (b) the Primus Entities' Canadian payroll is funded through the primary operating concentration account;
- (c) Primus Canada uses Ceridian HCM, Inc. and the U.S. Primus Entities use ADP LLC to disburse payroll directly to employees and to make necessary statutory remittances; and
- (d) cash payments from customers are typically received by cheque, credit card processed by Chase, pre-authorized direct bank deposit processed by BMO or electronic transfer and are deposited directly into one of three primary bank accounts. Payments that are received in the form of cheques are either received at Primus Canada's offices and deposited into a local branch of BMO or sent to a lockbox operated by Symcor Inc. and transferred directly to Primus Canada's accounts at BMO.

69. In the United States,

- (a) disbursements required to operate the business are made from one BOA account in the name of Lingo or one BOA account in the name of PTI;
- (b) the U.S. Primus Entities' payroll is funded through one BOA account in the name of PTI;
- (c) the U.S. Primus Entities use ADP LLC to disburse payroll directly to employees and to make necessary statutory remittances; and
- (d) cash payments from customers are typically received by cheque, electronic transfer, or credit card processed by Chase and are deposited into one of three bank accounts: a Lingo deposit account with BOA, a PTI deposit account with Banco Popular, a PTI deposit account with US Bank, or one of three BOA accounts held by PTI.

70. Primus Canada's Canadian dollar deposit and disbursement accounts are ultimately aggregated into the operating concentration account at the end of each day pursuant to a zero-balancing arrangement in place with BMO.

71. Continued access to the Cash Management System without disruption is critical to the ongoing business of the Applicants.

### Assets

72. The Primus Entities prepare financial statements on a consolidated basis. As reflected in the unaudited consolidated financial statements of the Primus Entities for the eleven months' ended November 30, 2015, the assets of the Primus Entities had a book value of approximately \$145 million and consisted of the following:

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Cash and equivalents	2,896,794	
Accounts receivable	11,329,605	
Prepaid expenses	2,280,362	
Inventory, deposits and other receivables	<u>1,649,540</u>	
<b>Total Current Assets</b>	<b>\$18,156,301</b>	
Capital assets		26,958,328
Goodwill and other intangibles		98,596,009
Restricted cash		295,000
Deferred charges		<u>1,142,342</u>
		<u>126,991,680</u>
<b>Total Assets</b>		<b>\$145,147,981</b>

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73. Capital assets include network infrastructure equipment and associated installation costs; software and associated development costs; fiber optic network capacity that the Primus Entities own; capital costs associated with leasehold



improvement work; equipment used for voice telecommunications services; infrastructure equipment for the US network; equipment provided to customers for rent; computers; office equipment and phone systems; and automobiles.

74. The "Goodwill and other intangibles" line item represents intangible assets and consists of goodwill, brand and customer list intangibles, at 43%, 21% and 36%, respectively.

### **Liabilities**

75. As at November 30, 2015, the Primus Entities had liabilities on a consolidated basis totalling approximately \$101 million.

76. The principal debt obligations of the Primus Entities are described in more detail below.

### ***Current Liabilities***

77. In addition to the principal debt obligations, as at November 30, 2015, the Primus Entities had approximately \$30.4 million of other current liabilities, including:

Accounts payable	7,887,868
Accrued liabilities	7,483,255
Income taxes payable	(23,336)
Deferred revenue	6,097,555
Other current liabilities	8,940,829
<b>Total Current Liabilities</b>	<b>\$30,386,172</b>

### Credit Agreement

78. Primus Canada is indebted to BMO, HSBC Bank Canada (“**HSBC**”) and ATB Corporate Financial Services (“**ATB**”, and together with BMO and HSBC, the “**Syndicate**”), in the amount of \$40,070,000 pursuant to a Credit Agreement dated July 31, 2013, (as amended by an amending agreement (the “**Amending Agreement**”) dated September 23, 2014 (the “**Credit Agreement**”). The Credit Agreement matures on July 31, 2017.

### *Secured Debt*

79. The Credit Agreement is comprised of two main credit facilities (the “**Facilities**”). Facility A is a secured revolving credit facility under which Primus Canada can draw up to \$10,000,000 for general working capital purposes, subject to a borrowing base calculation. Facility B is a secured non-revolving credit facility under which the Syndicate made one advance to Primus Canada in the amount of \$60,000,000. The Primus Entities also have a “swingline” facility under the Credit Agreement pursuant to which they have drawn a letter of credit in the approximate amount of \$295,000 in relation to their tenancy at the customer support centre in Ottawa, Ontario.

80. Under the Credit Agreement, Primus Canada has granted comprehensive first-ranking security to BMO as administrative agent of the Syndicate over all of its assets pursuant to, among other things, a general security agreement. I am advised that counsel to the proposed Monitor is preparing an independent security review which will be included in a future report of the proposed Monitor.

81. Primus Canada’s obligations under the Credit Agreement are guaranteed by all of the Primus Entities. Such guarantees are also secured by substantially all of the assets of the Primus Entities pursuant to, among other things, general security agreements and a deed of hypothec, with (a) *Personal Property Security Act* (“**PPSA**”)

filing statements registered in the following jurisdictions: Holdco (Ontario); Primus Canada (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Quebec); and Lingo (Ontario); and (b) UCC registrations in the following jurisdictions: Primus Canada (District of Columbia); PTUS (Delaware); Primus US (Delaware); and Lingo (Delaware).

82. In an event of default under the Credit Agreement, any credit issued under the Facilities becomes due and payable upon written notice to Primus Canada.

83. Primus Canada is also a counterparty to three swap agreements (together, the "**Swap Agreements**") with the Syndicate lenders HSBC, ATB and BMO (each being a "**Swap Bank**" and together, the "**Swap Banks**") in the approximate amount of \$20,250,000. While each agreement is distinct, the terms of each are virtually identical. Under the Swap Agreements, Primus Canada has agreed to pay each Swap Bank a fixed rate of interest (1.97%) on a notional principal amount (which declines over time) on specific dates. Concurrently, each Swap Bank has agreed to make payments based on a floating interest rate to Primus Canada on that same notional principal on the same specified dates for the same specified time period. The Primus Entities' obligations under the Swap Agreements are secured by the general security agreement.

84. If terminated as at January 14, 2016 under the Swap Agreement, the Swap Banks would be entitled to a payment in the approximate amount of \$375,000 from Primus. The Swap Agreements expire July 31, 2017.

#### Subordinate Credit Agreement

85. Primus Canada is also indebted to the Manufacturers Life Insurance Company ("**Manulife**") and BMO Capital Partners ("**BMOCP**" and together with Manulife, the "**Subordinate Lenders**"), in the principal amount of \$20,000,000 (the "**Subordinate Debt**") pursuant to a subordinate credit agreement (such credit

agreement, as amended, the “**Subordinate Credit Agreement**”) dated July 31, 2013, as amended by an amending agreement dated September 23, 2014. The Subordinate Credit Agreement matures on July 31, 2018. As of November 30, 2015, Primus Canada is indebted to the Subordinate Lenders in the amount of \$22,971,359.94 inclusive of accrued interest.

86. Under the Subordinate Credit Agreement, Manulife and BMOCP each established a credit facility for Primus Canada in the maximum principal amounts of \$14,600,000 and \$5,400,000, respectively. Such funds were made available to Primus Canada by way of a single advance.

87. Under the Subordinate Credit Agreement, Primus Canada has granted a security interest to Manulife as collateral agent of the Subordinate Lenders over all of its assets pursuant to, among other things, a general security agreement, which security interest ranks behind the security granted to the Syndicate pursuant to the terms of an Intercreditor Agreement (defined below).

88. Primus Canada’s obligations under the Subordinate Credit Agreement are guaranteed by all of the Primus Entities. Such guarantees are also secured by substantially all of the assets of the Primus Entities pursuant to, among other things, general security agreements and a deed of hypothec, with (a) PPSA filing statements registered in the following jurisdictions: Holdco (Ontario); Primus Canada (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Quebec); and Lingo (Ontario); and (b) UCC registrations in the following jurisdictions: Primus Canada (District of Columbia); PTUS (Delaware); Primus US (Delaware); and Lingo (Delaware).

89. In an event of default under the Subordinate Credit Agreement, any credit issued under the Subordinate Credit Agreement becomes due and payable upon written notice to Primus Canada.

### Intercreditor Agreement

90. The relative priorities and rights between the Syndicate (as the senior lenders) and Manulife (as the subordinate lenders) is governed by the intercreditor agreement dated July 31, 2013 (the "**Intercreditor Agreement**"). A copy of the Intercreditor Agreement is attached as **Exhibit "A"** hereto.

91. As provided in Section 3 of the Intercreditor Agreement, the Subordinate Lenders are fully subordinated to the prior repayment in full of all obligations owing to the Syndicate and the security of the Syndicate under the Credit Agreement, to the full extent of the amounts owing thereon ranks ahead of the security of the Subordinate Lenders under the Subordinate Credit Agreement, to the full extent of the amounts owing thereon.

### **C. FINANCIAL DIFFICULTIES**

92. The Primus Entities have been experiencing and continue to experience severe strains on their cash flow as a result of, among other things, declining revenues, the Primus Entities' customer base transitioning to lower profit margin services and over-leverage. The Primus Entities' significant fixed costs have hindered their ability to quickly and adequately respond to such revenue declines.

93. As a result, the Primus Entities' earnings before interest, taxes, depreciation and amortization ("**EBITDA**") and net operating profit have deteriorated over the last three years, and continue to deteriorate. While EBITDA has stabilized over the last seven months due to cost management and reduced marketing activities, this level of EBITDA is insufficient to meet the obligations under the secured credit agreements.

*Revenue*

94. Since 2012, the Primus Entities' revenue has declined an average of 9% per year. The Primus Entities' Canadian residential business, representing approximately 56% of their gross revenue for 2015, has declined an average of 9% year-over-year ("YOY") since 2012.

95. Changing technology and, as a result, consumer behaviour is the primary driver behind the residential sector revenue decline. Advances in network and wireless technology have decreased demand for long-distance and local phone, and pre-paid calling cards (the "Legacy Services"). In addition, rapid growth in the sale of bundled TV, internet, and voice services by the Major Carriers have exerted considerable price pressures on the markets that the Primus Entities compete in.

96. Consumer preferences are shifting towards mobile technology and high-speed internet. The Primus Entities do not have the capability to provide mobile services. The Primus Entities' internet services offered through their co-location sites are primarily limited to lower-speed offerings. As such, the Primus Entities' internet service customers have been rapidly transitioning from higher margin co-location services to materially lower margin re-sell services.

97. The Primus Entities' residential service offering primarily involves the provision of Legacy Services, with high-speed internet services representing a growth offering. In the past, Legacy Services were the Primus Entities' largest revenue generator. Since 2012, however, the Primus Entities' revenue from Legacy Services in Canada has declined 18% YOY and 25% YOY in the United States.

98. Moreover, in 2013, Bell accelerated the promotion of its bundled high-speed internet, TV, and voice service offerings (the "Triple Play" bundle) leading to considerable pricing pressures on the market for such services. The Primus Entities

do not offer TV services, and thus cannot create a bundle offering to compete against the bundled offerings of the Major Carriers.

99. The attraction of new customers in 2014 and Q1 of 2015 has also contributed to the Primus Entities' profitability decline. Each new customer represents additional marketing, hardware and installation costs, as well as staffing costs related to the on-boarding of those customers.

100. It can take up to a year before the costs associated with a new customer are recovered. Therefore, adding new customers to offset the rapidly declining Legacy Services revenues requires significant capital. Due to limits imposed by its capital structure, a lack of new capital availability, and the decline of high profit margin Legacy Services and co-location services revenues, the Primus Entities have had to constrain their customer growth initiatives.

101. As a result of the decline in demand for Legacy Services, the Primus Entities' inability to offer mobile services and their inability to compete with Bell's Triple Play bundle (or similar bundles offered by the other Major Carriers), the Primus Entities' gross revenue decreased from \$229,024,000 in the fiscal year ended 2012 ("FY2012") to \$198,511,000 in the fiscal year ended 2013 ("FY2013") and to \$180,078,000 in the fiscal year ended 2014 ("FY2014") and is forecasted to decline to \$165,859,252 in the fiscal year ended 2015 ("FY2015").

### *Expenditures*

102. The Primus Entities have high fixed overhead costs, which cannot be materially reduced as they relate to functions that are necessary to run the Primus Entities' business. Such costs stem from supporting a national telecommunications infrastructure with the related engineering and support requirements. Moreover, as the Primus Entities' customer base has been steadily declining, any reductions in overhead costs are outweighed by declining revenue.

103. In order to maintain and grow their service offerings, the Primus Entities incur capital expenditures (“Capex”) every year. Such Capex include (i) hardware related to the sales of H-PBX and VoIP; (ii) network and client premises equipment expenditures required to support new customers; (iii) maintenance and replacement of components in network infrastructure; (iv) investment in network and internet delivery infrastructure; (v) capitalized employee and consulting costs associated with network projects; and (vi) maintenance and improvements to the Primus Entities’ information systems, software, servers and storage capacity.

104. Over the past four years, the Primus Entities’ annual average Capex was \$7,898,993 per year.

105. The Primus Entities are also carrying significant debt service obligations in respect of their secured debt facilities.

106. In 2015, the Primus Entities’ debt service obligations and capital expenditures totalled approximately \$18,365,182 compared to \$9,871,722 in EBITDA.

***EBITDA***

107. As a result of the declining Legacy Services revenues, the margin pressures exerted by the Primus Entities’ changing revenue mix, and the high up-front costs associated with adding new customers, the Primus Entities’ EBITDA declined from \$41,442,000 in FY2012 to \$36,073,000 in FY2013 and \$22,499,000 in FY2014 and \$9,871,722 forecasted in FY2015.

108. This annual downward trend has continued in the current fiscal year as a high volume of new customers were added in the fourth fiscal quarter of 2014 and the first fiscal quarter of 2015. For the first quarter of 2015, EBITDA has declined 89% over the same period in the prior year, from \$7,123,000 to \$753,000. Monthly



EBITDA has stabilized at approximately \$1 million per month for the last 9 months of 2015. The stabilized EBITDA is due to the reduction in marketing initiatives resulting in lower volume of new customer sign-ups, and overall cost reduction initiatives.

*Net Income/Loss*

109. The Primus Entities reported a net loss of \$830,000 in FY 2014, and a forecast a net loss of \$13,078,000 for FY2015.

110. A copy of the Primus Entities' consolidated unaudited financial statements for the eleven months ending November 30, 2015 are attached here to as **Exhibit "B"**.

111. A copy of the Primus Entities' consolidated financial statements, prepared on a 13-month rolling basis and current to November 30, 2015 are attached as **Exhibit "C"** hereto.

112. The Primus Entities have not finalized their FY2015 audited financial statements.

*Responses to Financial Difficulties*

113. As a result of the deterioration of their financial results, limited cash flow, and lack of available equity support from its shareholders the Primus Entities concluded that changes to their current business model are required.

114. The Primus engaged FTI, as financial advisor in November 2014 and in April 2015 FTI began assisting the Primus Entities in considering restructuring alternatives.

115. Modified business plans reflecting slower growth due to lack of additional growth capital were developed by management in 2015; however, such business

plans could not be implemented without concessions from the Syndicate and Subordinate lenders.

116. In order to conserve their cash flow as of May 1, 2015, the Primus Entities have: (i) reduced staffing through process improvements and matching customer base declines; (ii) reduced capital spending to customer premise equipment and necessary projects; and (iii) capped salary increases and corporate bonus payments. Further, due to the capital and operating expenses associated with new customers, the Primus Entities have significantly reduced their efforts to attract new customers since March 2015. Typically, it can take up to a year for a new customer to become cash positive for the Primus Entities and thus an increasing customer base is adverse to the Primus Entities' short term cash flow.

117. The Primus Entities attract new residential customers primarily through (i) direct mail advertising initiatives, (ii) various digital web marketing initiatives, and (iii) their presence at Costco wholesale stores. Accordingly, the Primus Entities have eliminated their direct mailing expenditures, and have reduced their web marketing initiatives and Costco presence by time and staffing levels.

118. In light of the Primus Entities' financial difficulties, the Board of Directors of Holdco (the "Board") has held regular status calls with management and the Applicants' advisors.

#### **D. DEFAULTS UNDER THE CREDIT AGREEMENTS**

##### *Credit Agreement*

119. Under the Credit Agreement, Primus Canada is required to, among other things, maintain certain debt to EBITDA ratios. Under Facility B specifically, Primus Canada is required to, among other things, make quarterly principal repayments in the amount of \$2,250,000 on the last business day of each calendar quarter. Failure to meet these covenants constitutes an event of default.

120. As of late 2014, the Primus Entities have been unable to maintain certain debt to EBITDA ratios specified under section 6.03 of the Credit Agreement (the “**Credit Agreement Defaults**”), and were therefore in default under the Credit Agreement.

121. The Credit Agreement Defaults have placed the Syndicate in a position to declare a “Standstill Period” pursuant to the Intercreditor Agreement. During a Standstill Period, Primus Canada would be prohibited from making any payments due under the Subordinate Credit Agreement, other than reasonable expenses due not in excess of \$100,000.

122. Primus Canada entered into a forbearance agreement with the Syndicate on February 4, 2015 (the “**Syndicate Forbearance Agreement**”). Under the Syndicate Forbearance Agreement, Primus Canada acknowledged the Credit Agreement Defaults and agreed to provide a revised business plan for fiscal year 2015 and specified financial information. Primus Canada further agreed that as a consequence of the Credit Agreement Defaults the Syndicate was entitled to charge an additional 2% interest in accordance with section 9.02 of the Credit Agreement, upon written notice of same. A copy of the Syndicate Forbearance Agreement is attached as **Exhibit “D”**.

123. The Syndicate Forbearance Agreement expired on February 27, 2015.

124. On the same day, the Syndicate gave notice to Primus Canada that (i) the Syndicate reserved its rights to take the steps it believes are required to, among other things, realize on its security; (ii) the Syndicate was exercising its right to charge an additional 2% per annum interest on all amounts outstanding under the Credit Agreement; and (iii) Duff & Phelps Canada Restructuring Inc. was to be appointed pursuant to section 9.09 of the Credit Agreement as a consultant to review and report the viability of the Primus Entities’ business and strategy going forward, on behalf of the Syndicate.

125. As described in greater detail below, on August 31, 2015, following extensive and careful arms-length negotiation commencing in July 2015, Primus Canada entered into a support agreement with the Syndicate lenders (the “**Support Agreement**”) further to which the Syndicate agreed to support a sale and investor solicitation process (a “**SISP**”) on a going concern basis.

*Subordinate Credit Agreement*

126. Primus Canada has also defaulted under the Subordinate Credit Agreement. Specifically, Primus Canada has not serviced its Subordinate Debt since January 31, 2015, which constitutes a default under section 9.01(b) of the Subordinate Credit Agreement and a cross-default under section 9.01(f) of the Credit Agreement. Primus Canada also did not maintain certain debt to EBITDA ratios specified under section 6.03 of the Subordinate Credit Agreement (together with the section 9.01 defaults, the “**Subordinate Credit Agreement Defaults**”).

127. Primus Canada entered into a forbearance agreement with the Subordinate Lenders on February 4, 2015 (the “**Subdebt Forbearance Agreement**”). Under the Subdebt Forbearance Agreement, Primus Canada acknowledged the Subordinate Credit Agreement Defaults and agreed to provide a revised business plan for fiscal year 2015 and specified financial information. Primus Canada further agreed that as a consequence of the Subordinate Credit Agreement Defaults the Subordinate Lenders were entitled to charge an additional 2% interest in accordance with section 9.02 of the Subordinate Credit Agreement, upon written notice of same. A copy of the Subdebt Forbearance Agreement is attached as **Exhibit “E”**.

128. The Subdebt Forbearance Agreement expired on March 2, 2015. On March 9, 2015, the Subordinate Lenders gave notice to Primus Canada that (i) due to the Subordinate Credit Agreement Defaults, interest on all amounts outstanding under the Subordinate Credit Agreement were accruing interest at a rate of 15% per annum, as of January 31, 2015, in accordance with section 3.06 of the Subordinate

Credit Agreement; and that (ii) the Subordinate Lenders have reserved their rights to take the steps they believe are required to, among other things, realize on their security.

#### **E. SUPPORT AGREEMENT AND THE SISP**

129. As mentioned above, on August 31, 2015, following extensive and careful arms-length negotiations, Primus Canada entered into a support agreement with the Syndicate lenders (the “**Support Agreement**”) further to which the Primus Entities agreed to conduct and the Syndicate agreed to support a sale and investor solicitation process (a “**SISP**”) on a going concern basis. A copy of the Support Agreement is attached as **Exhibit “F”** hereto.

#### *The Support Agreement*

130. The Primus Entities elected to pursue the SISP outside of CCAA proceedings out of concern that, among other things, a prolonged period under CCAA protection necessary to implement a post-CCAA filing sales process would have a serious and detrimental impact on the Primus Entities’ business and its customers which could diminish the value of the business as a whole. The bargain reflected in the Support Agreement was a product of a meticulous balancing of interests of Primus Entities’ various stakeholders, the result of which was to allow the Primus Entities to implement its proposed restructuring strategy (i.e., the SISP) as a going concern while preserving the position of the Syndicate Lenders and the Primus Entities’ other stakeholders if the SISP did not, ultimately, result in any restructuring transaction(s).

131. Under the Support Agreement, the Syndicate lenders agreed among other things, to:

- (a) a standard forbearance in exercising their rights and remedies as creditors;

- (b) a series of particular covenants to support the implementation and execution of the SISP, including not to take any action inconsistent with the Support Agreement or that would frustrate the consummation of any SISP transaction(s);
- (c) support the approval of any SISP transaction(s) as promptly as practicable if the transaction is acceptable to the Syndicate lenders and BMO, in its capacity as administrative agent to the Syndicate, acting reasonably; and
- (d) not to propose, vote for or otherwise support alternative arrangements under the CCAA, the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or otherwise (thereby circumventing the SISP at a sensitive time).

132. In exchange, Primus Canada agreed, among other things:

- (a) to certain reporting and monitoring requirements, particularly with regard to the progress of the SISP;
- (b) not to materially increase compensation, severance or other benefits payable to their employees except in accordance with the terms of the key employee retention plan (“KERP”) in the form attached to the Support Agreement<sup>6</sup>;
- (c) to adhere to an ongoing business plan, with reference to a particular cash flow projection and with detailed reporting obligations; and
- (d) to implement the SISP for the purpose of identifying one or more purchasers of and/or investors in the Primus Entities’ business with a targeted completion date for a transaction of December 31, 2015.

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<sup>6</sup> The Primus Entities have entered into KERPs with 8 people, each of whom are critical to the strategic, day-to-day operations and management of the Primus Entities and/or the smooth execution and

133. All material decisions with respect to the SISP (including whether to enter into a transaction and which one to enter into) remained exclusively within the sole discretion of the boards of the Primus Entities (and concomitantly their current management) to be made in accordance with their fiduciary duties with respect to securing the best available strategic alternative for the Primus Entities.

134. The timeline for implementing the SISP was set out in section 5 of the Support Agreement (each step being designated a “**Milestone**”, the execution of which was an essential precondition to the continuance of the Support Agreement). Pursuant to the Support Agreement, Primus Canada covenanted to:

- (a) Commence marketing to prospective financiers, investors and/or purchasers (together, with others expressing a similar interest, the potential “**Interested Parties**”) on or before September 1, 2015;
- (b) Be in receipt of one or more Phase I Bids (which is defined as an original executed copy of a comprehensive non-binding letter of intent) on or before October 1, 2015;
- (c) Be in receipt of one or more Phase II Bids (which is defined as a comprehensive, final and binding proposal) on or before November 2, 2015;
- (d) Enter into a binding agreement(s) with the “**Successful Bidder(s)**” (a bidder whose Phase I Bid was, ultimately, accepted and with whom the Primus Entities seeks to consummate a transaction) on or before November 30, 2015; and

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implementation of the SISP. The KERPs provide for future potential payments to the KERP participants in the maximum aggregate amount of \$500,000.

- (e) Close all agreements and transactions with the Successful Bidder(s) On or before December 31, 2015.

135. The failure to meet any of the Milestones set out above was a “Triggering Event” within the meaning of section 8 of the Support Agreement, which entitled any Syndicate lender to terminate the Support Agreement. As a result, continued and ongoing adherence to the Milestones was a necessary precondition for successfully implementing the SISP (and thereby facilitating a successful restructuring).

136. However, it was also understood that the Milestones and procedures could be amended at any time by mutual agreement should there be sufficient rationale that such amendments would be to the mutual benefit of the parties to the Support Agreement and other stakeholders of the Primus Entities.

137. On October 30, 2015, Primus Canada and the Syndicate lenders entered into an agreement (the “**First Amending Agreement**”) extending the SISP timeline originally provided for in the Support Agreement to allow Primus Canada to be in receipt of one or more Phase II Bids on or before November 16, 2015 and to enter into a binding agreement(s) with the Successful Bidder(s) on or before December 14, 2015. The First Amending Agreement is attached as **Exhibit “G”** hereto.

138. The Milestones in the Support Agreement were extended in accordance with its terms, in part, to provide potential SISP bidders with further time to complete all required due diligence and otherwise to ensure their bids could be turned into executable transactions in compliance with the SISP.

139. The SISP timeline was further extended pursuant to a second agreement (the “**Second Amending Agreement**”), which allowed the Primus Entities: (i) to be in receipt of one or more Phase II bids on or before December 23, 2015; (ii) enter into a binding agreement with the Successful Bidder(s) on or before January 19, 2015; and



(iii) close all agreements and transactions on or before February 29, 2016. A copy of the Second Amending Agreement is attached hereto as **Exhibit "H"**.

*The SISP*

140. Further to the timeline and conditions set out in the Support Agreement (and as will be described in greater detail in the Primus Entities' materials to be filed in support of a motion (the "**Sale Approval Motion**") to approve, *inter alia*, a sale of the Primus Entities' assets (if this Court grants the Initial Order sought herein)), the Primus Entities commenced the SISP in September 2015.

141. Following a competitive selection process, Origin Merchant Partners ("**Origin**") was engaged by Primus Canada to act as a financial advisor pursuant to an engagement letter dated August 7, 2015 (the "**Engagement Letter**") and commenced solicitation of potentially interested parties.

142. As a result of the efforts of the Primus Entities, Origin and other advisors, six interested parties emerged and submitted Phase I Bids. Three parties ultimately submitted comprehensive, final and binding offers.

143. A period of extensive and intensive arm's length negotiations followed the receipt of offers, each of which were evaluated in accordance with the criteria enumerated in the SISP. Ultimately, the bid by Birch Communications Inc. ("**Birch Communications**") was determined to be the Successful Bid.

144. An essential precondition to the contemplated Asset Purchase Agreement ("**APA**") between the Primus Entities and Birch Communications (in this capacity, the "**Purchaser**") was the expeditious application to this Court for the Initial Order sought herein.

145. In advance of filing for CCAA protection, and in order to comply with the provisions of the Support Agreement detailed above, the parties entered into two preliminary agreements:

- (a) First, on December 18, 2015, the Primus Entities entered into an Escrow Agreement with the Purchaser and FTI (as escrow agent), whereby \$2,000,000 would be deposited into an escrow account in contemplation of entering into the aforementioned APA to be released as part of the closing thereof; and
- (b) Second, on December 22, 2015, the Primus Entities entered into an exclusivity letter agreement with the Purchaser whereby the Primus Entities agreed to terminate any existing discussions with any third party, and not to solicit, encourage or otherwise commence or continue discussions with, or provide any information to, any third party, regarding the sale to any such third party of all or any of the Purchased Assets (as defined in the APA) or any investment or other participation by any such third party in any of the business, enterprise, securities, assets or properties of any of the Primus Entities. The exclusivity letter agreement was a condition precedent to the Purchaser pursuing the sale transaction contemplated in the APA.

146. After extensive deliberations and consultations with their professional advisors, the Primus Entities concluded, further to and on the basis of their commercial and business judgement, that the transaction contemplated in the APA represented the best offer available to them in the circumstances and that proceeding with such transaction was in the best interest of stakeholders.

### *The Sale Transaction*

147. The Primus Entities and the Purchaser executed and delivered a definitive version of the APA dated January 18, 2016, subject to Court approval. Further details and a copy of the APA will be served and filed with the Primus Entities' motion materials to approve same.

148. The essential terms of the definitive version of the APA and the Sale Transaction contemplated therein are as follows:

- (a) The Purchaser will acquire substantially all of the business, assets and operations of the Primus Entities, including principally all of their patents, patent applications, trademarks and domains ("**Purchased Assets**" and "**Purchased Intellectual Property**" respectively, and as set out in Schedule "A" and "H" to the APA) but excluding any shares and other securities owned by any Primus Entity ("**Excluded Assets**", set out in Schedule "D" to the APA) on an "as is, where as" basis as existing at "Closing Time" (as defined in the APA and subject to representation and warranties therein);
- (b) The aggregate purchase price ("**Purchase Price**") payable to the Primus Entities is calculated on the basis of the Purchase Price formula set out further to sections 3.1 and 3.7 of the APA, consisting of the following:
  - (i) The "Base Purchase Price" of \$44 million (as the term is defined in the APA and as adjusted in accordance with the formula set out therein);
  - (ii) Less certain Cure Costs (as defined in the APA); and
  - (iii) Less certain other amounts payable that do not constitute Cure Costs in respect of "Essential Contracts" (as defined in the APA).

- (c) The Purchaser may, in its sole discretion, offer employment to any or all active and inactive Primus Entity employees (collectively "**Transferred Employees**") conditional on "Closing" (as each is defined in the APA);
- (d) The Purchaser will assume, perform, discharge and pay the obligations of the Primus Entities ("**Assumed Obligations**") set out in section 2.5 of the APA, including, but not limited to, the following:
  - (i) all debts, liabilities and obligations under an "Assumed Contract" assigned or transferred to the Purchaser on Closing for the period from and after Closing Time, provided that such debts, obligations or liabilities do not arise from or are due or attributable to:
    - (A) any default existing or breach by any Primus Entity occurring prior to or as a consequence of Closing, or
    - (B) any default, breach or violation of any Primus Entities' of any term or condition of the APA;
  - (ii) all debts, liabilities and obligations for which the Purchaser is responsible in respect of Transferred Employees as per the APA;

149. The Purchaser may terminate the APA, in its sole and absolute discretion, if this Court orders a post-filing sales process or it may elect not to terminate the APA and have it serve as a the stalking horse offer in such post-filing sales process with customary stalking horse protections, in accordance with the terms of the exclusivity letter arrangement (which are to include, without limitation, a 3% break-free to be paid from the proceeds of any overbid in favour of the Purchaser), subject to court approval.

150. Subject to obtaining the Initial Order being sought herein, the Primus Entities intend to return to this Court to seek approval of the APA and various

ancillary relief, including, if necessary, the assignment of certain agreements to the extent that necessary consents to such assignments are not obtained prior to the date of the motion.

#### **F. THE PRIMUS ENTITIES ARE INSOLVENT**

151. Defaults under the Credit Agreement or the Subordinate Credit Agreement allow the Syndicate or Subordinate Lenders, respectively, to exercise certain remedies, including acceleration of payment of all amounts due under their agreement. Primus Canada does not have sufficient liquidity to satisfy the accelerated payment obligations arising from an event of default under either agreement.

152. The Syndicate lenders require the Primus Entities to proceed expeditiously with obtaining approval and implement the APA and have indicated that they will not extend the forbearance under the Support Agreement otherwise.

153. Without forbearance, the Primus Entities cannot meet their liabilities as they come due and do not have sufficient cash to service their debt obligations. As such, the Primus Entities are insolvent.

154. Further, the Primus Entities require CCAA protection to implement the sale of their assets for the benefit of their stakeholders.

#### **H. FUNDING OF THESE PROCEEDINGS**

155. As at November 30, 2015, the Primus Entities' consolidated cash balance as reported in their financial statements was approximately \$2,896,794.

156. The Primus Entities do not contemplate requiring debtor-in-possession financing. The Primus Entities intend to fund the costs of these CCAA proceedings

from cash on hand and the collection of receivables during the pendency of their CCAA proceedings.

157. The Primus Entities, with the assistance of the proposed Monitor, have prepared a five-week consolidated cash flow forecast for the period of January 19, 2016 to February 19, 2016 (the "**Cashflow Forecast**") as prescribed. A copy of the Cashflow Forecast and a report containing the prescribed representations of the Primus Entities regarding the preparation of the Cashflow Forecast will be attached collectively in the reported of the proposed Monitor in connection with this application (the "**Pre-Filing Report**").

158. The Cashflow Forecast estimates that for the period of the Cashflow Forecast, the Primus Entities will have total receipts of approximately \$16.6 million, total operating disbursements of approximately \$10.8 million, and restructuring professional fees of approximately \$1.2 million, resulting in net cash flow of approximately \$4.6 million.

## I. PROPOSED INITIAL ORDER

### *Administration Charge*

159. The Primus Entities seek a charge on the assets, property and undertakings of the Primus Entities (the "**Property**") in the maximum amount of \$1,000,000 to secure the fees and disbursements incurred in connection with services rendered to the Primus Entities both before and after the commencement of the CCAA proceedings by U.S and Canadian counsel to the Primus Entities, the Monitor (if appointed) and the Monitor's U.S. and Canadian counsel (the "**Administration Charge**").

160. The Primus Entities worked with the proposed Monitor to estimate the proposed quantum of the Administration Charge and believe it to be reasonable and appropriate in view of the complexities of the Primus Entities' CCAA

proceedings and the services to be provided by the beneficiaries of the Administration Charge.

161. The Initial Order provides that the Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”) with notice of this application.

*Directors’ and Officers’ Provisions*

162. To ensure the ongoing stability of the Primus Entities’ business during the CCAA period and to achieve the successful closing of the APA, the Primus Entities require the continued participation of their directors and officers.

163. The Primus Entities are seeking typical provisions staying all proceedings against the directors and officers of the Primus Entities with respect to all claims that relate to any obligations of the Primus Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of the Primus Entities.

164. I am advised by Maria Konyukhova of Stikeman Elliott LLP, counsel to the Primus Entities, and do verily believe that in certain circumstances directors can be held liable for certain obligations of a company owing to employees and government entities. As of January 13, 2016, the Primus Entities are potentially liable for directors liabilities in the aggregate amount of approximately \$3,100,000 million.

165. The Primus Entities maintain directors’ and officers’ liability insurance (the “**D&O Insurance**”) for their directors and officers. The current D&O Insurance policies provide a total of \$15 million in coverage. Under the D&O Insurance, there are deductible for certain claims and the presence of a large number of exclusions

creates a degree of uncertainty. In addition, the contractual indemnities which have been given to the directors and officers cannot be satisfied by the Primus Entities as they do not have sufficient funds to satisfy those indemnities should their directors and officers be found responsible for the full amount of the potential directors' liabilities.

166. I do not believe that it would be possible to obtain additional adequate indemnification insurance for the directors and officers at a reasonable cost.

167. The directors and officers of the Primus Entities have indicated that, due to the significant personal exposure associated with the Primus Entities' aforementioned liabilities, they will not continue their services with the Primus Entities unless the Initial Order grants a charge on the Property in the amount of \$3,100,000 (the "D&O Charge"). The D&O Charge is proposed to rank immediately behind the Administration Charge. Following the approval of the APA (if granted) and implementation of the transaction, it is the intention of the Primus Entities and the beneficiaries of the D&O Charge to reduce the amount of the D&O Charge to reflect the decrease in the potential liabilities that may result in personal liability.

168. The D&O Charge will allow the Primus Entities to continue to benefit from the expertise and knowledge of their directors and officers. The Primus Entities believe the D&O Charge is reasonable in the circumstances.

169. The Initial Order provides that the D&O Charge shall rank in priority to all other Encumbrances, except the Administration Charge, with notice of this application.

### *Chapter 15*

170. Should the Initial Order be granted, the Applicants intend to commence proceedings under Chapter 15 of Title 11 of the United States Code (the



“**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”). FTI (as monitor, if appointed) will act as the Applicants’ Chapter 15 “foreign representative”.

### *Comeback Motion*

171. The Primus Entities intend to return to Court during the week of February 15, 2016 to seek certain relief on notice to parties to be affected. Among other things, the Primus Entities intend to seek an Order:

- (a) Approving the APA between the Primus Entities and the Purchaser for the sale of the Purchased Assets (as defined in the APA) and the transactions contemplated thereby;
- (b) Vesting all of the Purchased Assets in the Purchaser free and clear of any Encumbrances other than Permitted Encumbrances (as defined in the APA); and
- (c) Assigning, if necessary, the rights and obligations of the Primus Entities under their Essential Contracts (as defined in the APA) to the Purchaser.

### **J. MONITOR**

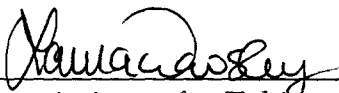
172. FTI has consented to act as the Court-appointed Monitor of the Primus Entities, subject to Court approval.

173. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

174. I have been informed by the proposed Monitor that it intends to file a Pre-Filing Report in which it will indicate that the proposed Monitor is supportive of

the relief being sought in favour of the Primus Entities and the existence and amounts of the Administration Charge and the D&O Charge.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on January 18, 2016.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

  
\_\_\_\_\_  
MICHAEL NOWLAN

**Laura Elizabeth Dowsley, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017.**

THAT THE COURT OF THE COUNTY OF DUFFERIN IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

Court file No: »

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**AFFIDAVIT OF MICHAEL NOWLAN  
(SWORN JANUARY 18, 2016)**

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**Lawyers for the Applicants**

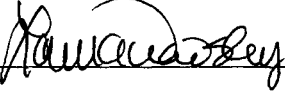
**TAB A**

**EXHIBIT "A"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

**Laura Elizabeth Dowsley, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017.**

**INTERCREDITOR AGREEMENT**

This Agreement is made as of the 31<sup>st</sup> day of July, 2013 among

**BANK OF MONTREAL,**  
as Senior Agent

and

**BANK OF MONTREAL,**  
**HSBC BANK CANADA**  
and  
**ATB CORPORATE FINANCIAL SERVICES,**  
as Senior Lenders

and

**THE MANUFACTURERS LIFE INSURANCE COMPANY,**  
as Subordinate Agent

and

**THE MANUFACTURERS LIFE INSURANCE COMPANY,**  
and  
**BANK OF MONTREAL d.b.a. BMO CAPITAL PARTNERS,**  
as Subordinate Lenders

and

**PTCAN, INC,**  
as Borrower

and

**1616057 ONTARIO LIMITED, GLOBILITY COMMUNICATIONS CORPORATION,**  
**PRIMUS TELECOMMUNICATIONS CANADA INC.,**  
**TELESONIC COMMUNICATIONS INC., PTUS, INC.,**  
**LINGO, INC., IPRIMUS USA, INC. and PT HOLDCO, INC.,**  
as Guarantors

**RECITALS**

WHEREAS (a) the Borrower is or may become indebted or obligated to the Creditors (as hereinafter defined), (b) the Guarantors have guaranteed such indebtedness and obligations owing by the Borrower to the Creditors and (c) the Creditors desire to enter into this Agreement to confirm their respective rights and obligations as creditors of the Borrower and the Guarantors, including the respective priorities of the Creditors in connection with the

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indebtedness and obligations of the Borrower and the Guarantors to the Creditors and the security therefor.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follow:

#### SECTION 1 – INTERPRETATION

1.1 **Definitions.** In this Agreement, the following defined terms will have the following meanings unless the context expressly or by necessary implication otherwise requires:

- (1) **Assets** means all of the present and future properties, assets and undertaking, real and personal, moveable and immovable, of whatsoever nature and kind and wheresoever situate, of the Borrower and each of the Guarantors.
- (2) **Bankruptcy Code** means Title 11 of the United States Code, as amended from time to time and any successor statute and all rules and regulations promulgated thereunder.
- (3) **Business Day** means any day on which banks are generally open for business in Toronto, Ontario, other than a Saturday, Sunday or statutory holiday.
- (4) **Cash Proceeds of Realization** means the aggregate of (i) all Proceeds of Realization in the form of cash, and (ii) all cash proceeds of the sale or other disposition of non-cash Proceeds of Realization.
- (5) **Borrower** means PTCAN, Inc. and its successors by way of amalgamation or otherwise and permitted assigns.
- (6) **Creditors** means the Senior Creditor and the Subordinate Creditor and Creditor shall mean either one of them.
- (7) **Default** means the occurrence of any of the defaults or events of default specified in any Loan Document or in any Security entitling a Creditor to Demand or accelerate payment of any Obligation, either immediately or after a cure period or grace period, or failure of the Borrower or any of the Guarantors to pay any amount which is payable to the Senior Creditor or Subordinate Creditor on demand within the time specified for payment in a Demand made by the Senior Creditor or Subordinate Creditor, as the case may be.
- (8) **Demand** means any notification by a Creditor to the Borrower and/or any of the Guarantors, as the case may be, of a demand for payment under any Loan Document or any Security.
- (9) **Guarantors** means 1616057 Ontario Limited, Globility Communications Corporation, Primus Telecommunications Canada Inc., Telesonic Communications Inc., PTUS, Inc., Lingo, Inc., iPrimus USA, Inc. and PT Holdco, Inc., and any other entity which may hereafter from time to time provide any guarantee (whether secured or unsecured) to and in respect of Senior

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Obligations and/or the Subordinate Obligations and each of their respective successors and assigns.

(10) **Hedging Agreements** has the meaning ascribed to such term in the Senior Credit Agreement.

(11) **Insolvency Legislation** means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy Code* or any other law (whether foreign or otherwise) relating to bankruptcy, insolvency, liquidation, receivership, winding-up, reorganization, arrangement, adjustment, composition or relief of debtors and any similar statute or law in any jurisdiction.

(12) **Insolvency Proceeding** means any bankruptcy, insolvency, receivership, liquidation, dissolution, winding-up, arrangement, restructuring, reorganization or similar proceeding under the laws of any jurisdiction in respect of the Borrower, any Guarantor or the Assets.

(13) **Lien** means any mortgage, hypothec, title retention, pledge, lien, right of set-off, charge, security interest, assignment or other encumbrance of whatsoever nature or kind, whether fixed or floating and howsoever created or arising.

(14) **Loan Documents** means the Senior Loan Documents and the Subordinate Loan Documents.

(15) **Obligations** means the Senior Obligations and the Subordinate Obligations.

(16) **Person** means an individual, partnership, joint venture, trust, corporation, unincorporated organization or any other judicial entity or a governmental state or agency or political subdivision thereof.

(17) **Preparatory Notices** means, collectively, with respect to the Assets (i) any notice pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada); and (ii) any notice pursuant to Section 63 of the *Personal Property Security Act* (Ontario) and **Preparatory Notice** means either of them.

(18) **Proceeds of Realization** means all proceeds (including money, choses in action, securities, assets and other property) derived from any sale or disposition of, or other enforcement or realization proceedings with respect to, any of the Assets (a) after any Demand, (b) upon any dissolution, liquidation, winding-up, reorganization (including any proposal under the *Bankruptcy and Insolvency Act* (Canada) or the *Bankruptcy Code* or any reorganization under the *Companies' Creditors Arrangement Act* (Canada)), bankruptcy, insolvency or receivership of the Borrower or any of the Guarantors or any other arrangement or marshalling of the Assets that is similar thereto, (c) upon the enforcement of, or any action taken with respect to, any of the Security, (d) as insurance or expropriation proceeds or any other payment representing indemnity or compensation for loss of, damage to or interruption in the business, operation or enjoyment of all or any part of the Assets or any proceeds thereof (including money, choses in action, securities, assets and other property), or (e) as a result of the exercise of any right of set off or other similar right or remedy, in each case net of all costs, charges and expenses or liabilities



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incurred in connection with such sale, disposition, enforcement or realization, including legal fees and all proper costs, charges, expenses and liabilities of any Receiver.

(19) **Receiver** means an interim receiver, a manager, receiver and manager, an agent or other person having similar powers or authority appointed by the Senior Creditor or the Subordinate Creditor, whether by way of a private or court appointment in respect of the Borrower, any of the Guarantors or any of the Assets.

(20) **Security** means the Senior Security and the Subordinate Security.

(21) **Senior Agent** means Bank of Montreal in its capacity as administrative agent pursuant to the Senior Credit Agreement.

(22) **Senior Credit Agreement** means the credit agreement dated as of the date hereof among the Senior Agent, the Senior Lenders and the Borrower, as such agreement may be amended, supplemented or restated from time to time.

(23) **Senior Credit Facility** means, collectively, Facility A and Facility B (as such terms are defined in the Senior Credit Agreement).

(24) **Senior Creditor** means, collectively, the Senior Agent and each Senior Lender, and their respective successors and assigns or, if the context requires, any one of the foregoing.

(25) **Senior Lenders** means each of the lenders from time to time pursuant to the Senior Credit Agreement and each of their respective affiliates party to any Hedging Agreement or Service Agreement and Senior Lender means any of them.

(26) **Senior Loan Documents** means the Senior Credit Agreement and all other documents, instruments and agreements (including security agreements and any guarantees and security agreements delivered by the Guarantors) now or hereafter executed in connection therewith, in each case as the same may be amended, modified, supplemented, restated or replaced from time to time.

(27) **Senior Obligations** means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, and whether as principal debtor, guarantor, surety or otherwise at any time owing under any of the Senior Loan Documents by the Borrower or any of the Guarantors, as the case may be, to the Senior Creditor (including, without limitation, any amounts owing pursuant to Hedging Agreements and Service Agreements established by any Senior Creditor for the Borrower or any Guarantor) or remaining unpaid by the Borrower or any of the Guarantors, as the case may be, to the Senior Creditor, and includes any extension, renewal, refunding or refinancing of any Senior Obligations.

(28) **Senior Security** means any and all Liens now or hereafter granted by the Borrower or any of the Guarantors to the Senior Creditor from time to time as security for all or any part of the Senior Obligations, in each case as the same may be amended, modified, supplemented, restated or replaced from time to time.

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(29) **Service Agreements** has the meaning ascribed to such term in the Senior Credit Agreement.

(30) **Standstill Notice** means written notice from the Senior Agent or the Subordinate Agent, as the case may be, that a Default has occurred and is continuing and such notice specifies the nature of the Default which has occurred.

(31) **Standstill Period** means the period commencing upon the earlier of: (a) receipt by the Senior Agent of a Standstill Notice from the Subordinate Agent, or (b) receipt by the Subordinate Agent of a Standstill Notice from the Senior Agent, and, in the case of (a) or (b), as applicable, ending upon the earliest of: (x) the date upon which the Creditor who received the Standstill Notice receives a further written notice from the other Creditor that the Default(s) has been cured; (y) the date upon which the Creditor who received the Standstill Notice receives a further written notice from the other Creditor that the other Creditor has waived the Default(s); or (z) one hundred and eighty (180) days (or such earlier date determined by the application of the last sentence of Section 3.7 hereof) after the date upon which the Standstill Notice is received, or deemed to be received by the Creditor to whom the Standstill Notice was given.

(32) **Subordinate Agent** means The Manufacturers Life Insurance Company and its successors and assigns.

(33) **Subordinate Credit Agreement** means the subordinate credit agreement dated as of the date hereof among the Subordinate Agent, as collateral agent, the Subordinate Lenders and the Borrower, as such agreement may be amended, supplemented or restated from time to time.

(34) **Subordinate Creditor** means, collectively, the Subordinate Agent and each Subordinate Lender, and their respective successors and assigns or, if the context requires, any of the foregoing.

(35) **Subordinate Lenders** means each of the lenders from time to time pursuant to the Subordinate Credit Agreement and **Subordinate Lender** means any of them.

(36) **Subordinate Loan Documents** means the Subordinate Credit Agreement and all other documents, instruments and agreements (including security agreements and any guarantees and security agreements delivered by any of the Guarantors) now or hereafter executed in connection therewith, in each case as the same may be amended, modified, supplemented, restated or replaced from time to time.

(37) **Subordinate Obligations** means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or unmatured, and whether as principal debtor, guarantor, surety or otherwise at any time owing under any of the Subordinate Loan Documents by the Borrower or any of the Guarantors, as the case may be, to the Subordinate Creditor or remaining unpaid by the Borrower or any of the Guarantors, as the case may be, to the Subordinate Creditor and includes any extension, renewal, refunding or refinancing of any Subordinate Obligations.

(38) **Subordinate Security** means any and all Liens now or hereafter granted by the Borrower or any of the Guarantors to the Subordinate Creditor from time to time as security for all of or

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any part of the Subordinate Obligations, in each case as the same may be amended, modified, supplemented, restated or replaced from time to time.

(39) **Term Facility** means Facility B (as such term is defined in the Senior Credit Agreement).

1.2 **References.** References to “this Agreement”, “the Agreement”, “hereof”, “herein”, “hereto” and like references refer to this Intercreditor Agreement and not to any particular Article, Section or other subdivision of this Intercreditor Agreement. Any references to “this Agreement”, “the Agreement”, “hereof”, “herein”, “hereto” and like references refer to this Intercreditor Agreement, as amended; modified, supplemented or restated from time to time in accordance with the terms hereof. In this Agreement, the word “includes” or “including” means “includes without limitation” or “including without limitation”. Where the context so requires, words importing the singular number will include the plural and vice versa. The division of this Agreement into Articles, Sections and the insertion of headings in this Agreement are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Time is of the essence of this Agreement.

1.3 **Applicable Law.** This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.4 **Paramourty.** If there is a conflict or inconsistency between the provisions of this Agreement and the provisions of any other agreement which is referred to herein or delivered pursuant hereto, as between the Creditors, the provisions of this Agreement will prevail, provided that nothing in this Agreement is intended to or will impair, as between the Borrower or the Guarantors, as the case may be, and either of the Creditors, the obligations of the Borrower or the Guarantors, as the case may be, to pay the Obligations when due. For greater certainty, as between each Creditor and the Borrower, the applicable Loan Documents shall prevail.

1.5 **No Rights Conferred on Borrower/Guarantors.** Nothing in this Agreement will be construed as conferring any rights upon the Borrower, the Guarantors or any third party. The terms and conditions hereof are and will be for the sole and exclusive benefit of the Creditors. The Borrower and each of the Guarantors, by its execution of this Agreement, hereby agrees to be bound by, and will act in accordance with, the terms, provisions and intent of this Agreement; however, neither the Borrower nor any of the Guarantors will take any right, benefit or advantage in the Borrower being a party to this Agreement, and, subject to Section 6.5, this Agreement may be amended, modified, supplemented or restated without notice to, or the consent of, the Borrower and the Guarantors.

1.6 **Consent.** The Borrower and each of the Guarantors hereby irrevocably consents to each Creditor providing the other Creditor with such information, financial or otherwise, regarding the Borrower, the Guarantors, the Obligations and the Security as may be deemed advisable by the Creditors from time to time.

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## SECTION 2 – CONSENT

### 2.1 Consent of Creditors.

- (1) Each Creditor consents to the incurring or assuming by the Borrower and the Guarantors of the Obligations and the granting or assuming by the Borrower and the Guarantors of the Security and confirms that such action does not and will not constitute a default under or otherwise contravene any of the Loan Documents or any of the Security.
- (2) Each Creditor represents to the other Creditor as follows:
  - (i) the Senior Creditor represents that, as of the date hereof, the maximum authorized principal amount of the Senior Obligations (which, for greater certainty, is not inclusive of Indebtedness under Hedge Arrangements or Service Agreements) pursuant to the Senior Credit Agreement is the principal amount of \$70,000,000 and that the Senior Creditor has no other indebtedness owing to them by the Borrower or the Guarantors other than pursuant to the Senior Loan Documents; and
  - (ii) the Subordinate Creditor represents that, as of the date hereof, the outstanding principal amount owing pursuant to the Subordinate Credit Agreement is \$20,000,000 and there is no other indebtedness owing to it by the Borrower or the Guarantors other than pursuant to the Subordinate Loan Documents.
- (3) The Subordinate Agent represents in favour of the Senior Creditor that it will obtain no guarantee or security from the Borrower or any Guarantor unless the Senior Agent has obtained substantially the same guarantee and/or security.

## SECTION 3– PRIORITY OF OBLIGATIONS AND SECURITY

3.1 **Priority of Obligations and Security.** The Subordinate Creditor agrees that, except as otherwise expressly provided herein, the Subordinate Obligations are fully subordinated to the prior repayment in full of all Senior Obligations, and the Senior Obligations and the Senior Security will have priority, to the full extent of the Senior Obligations, over the Subordinate Obligations and the Subordinate Security in all respects and at all times. For greater certainty, the Security with respect to the Assets shall rank in descending order of priority as follows: (a) firstly, the Senior Security to the full extent of the Senior Obligations, and (b) secondly, the Subordinate Security to the full extent of the Subordinate Obligations.

3.2 **Payment of Senior Obligations.** The Subordinate Creditor agrees with the Senior Creditor that, at any time, the Borrower or any of the Guarantors, as the case may be, may make and the Senior Creditor may accept any payment or prepayment in respect of the Senior Obligations, or any part thereof, whether or not any Default has occurred.

### 3.3 Payment of Subordinate Obligations.

Neither the Borrower nor any of the Guarantors will make nor will any of them be entitled to make, and the Subordinate Creditor will not accept and will not be entitled to accept, any

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payment or prepayment of any principal, interest or other amount in respect of the Subordinate Obligations, whether in the form of cash, securities or other forms of property, by the exercise of a right of set off or other similar right or remedy, or in any other manner whatsoever.

Notwithstanding the foregoing:

(a) prior to the commencement of a Standstill Period, the Borrower may make, and the Subordinate Creditor may receive (i) the fees due and payable pursuant to the Subordinate Credit Agreement on the date hereof (in the amount of \$300,000) and on December 31, 2013 (in the amount of \$200,000), (ii) reimbursement of reasonable expenses due from time to time under the Subordinate Loan Documents, and (iii) monthly payments of cash interest owing by the Borrower to the Subordinate Creditor in accordance with the Subordinate Credit Agreement (which, for certainty, is 13% per annum (4% of which may be converted to PIK or deferred interest at the option of the Borrower));

(b) during any Standstill Period, the Borrower and the Guarantors may make payments of reasonable expenses due from time to time under the Subordinate Loan Documents in an amount not to exceed \$100,000 in the aggregate so long as (i) no Creditor has taken any steps to enforce the Security, or (ii) no Insolvency Proceeding has been initiated; and

(c) following the expiration of any Standstill Period, the Borrower may make, and the Subordinate Creditor may receive (i) monthly payments of cash interest owing by the Borrower to the Subordinate Creditor in accordance with the Subordinate Credit Agreement, and (ii) payment of all monthly interest payments that were blocked and not paid during such Standstill Period (the “**Catch-up Payment**”); provided that (A) the Borrower is in *pro forma* compliance (after giving effect to the payment of the Catch-Up Payment) with the financial covenants contained in the Senior Credit Agreement in effect on the date that the Catch-Up Payment is made, and (B) no other Default exists at the time that the Catch-Up Payment is made or would be caused by the making of the Catch-Up Payment.

**3.4 Payment of Subordinate Obligations During Standstill Period.** The Senior Agent may issue a Standstill Notice at any time after a Default has occurred and is continuing. Upon receipt by the Subordinate Creditor of a Standstill Notice in accordance with the provisions of this Agreement, the Subordinate Creditor shall immediately cease receiving any and all payments from the Borrower or any of the Guarantors, as the case may be, on account of the Subordinate Obligations, including, without limitation, those payments more particularly described in Section 3.3 hereof (other than as provided for therein). Any payment or distribution received by the Subordinate Creditor in violation of the immediately preceding sentence shall be held in trust by the Subordinate Agent for the benefit of the Senior Creditors and shall be promptly paid over to the Senior Agent for application to the Senior Obligations.

**3.5 Certain Covenants of Subordinate Creditor.** Without the prior written consent of the Senior Agent, the Subordinate Creditor agrees that it will not and will not be entitled to:

(1) enforce any Subordinate Security or take any actions, in furtherance thereof prior to the expiry of a Standstill Period;

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- (2) appoint a Receiver of the Borrower, any of the Guarantors or the Assets, petition the Borrower or any of the Guarantors into bankruptcy or initiate any similar proceeding prior to the expiry of a Standstill Period;
- (3) commence or initiate any action or proceeding to recover or receive payment of any of the Subordinate Obligations prior to the expiry of a Standstill Period except in accordance with this Section 3.5; or
- (4) obtain any prepayments of principal comprising the Subordinate Obligations prior to the payment if full of the Senior Obligations.

However, notwithstanding the foregoing, the Subordinate Creditor may (i) file a proof of claim or attend and vote at a meeting of creditors in connection with any action, suit or proceeding whether under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or otherwise, (ii) issue one or more Preparatory Notices in connection with the Subordinate Security, (iii) take action for non-payment of the Subordinate Obligations for the purposes of obtaining a monetary judgement in respect thereof, provided that no measure is taken to enforce any judgment granted in such action, (iv) take action that is required to preserve the validity, perfection or priority of the Subordinate Obligations, (v) Demand payment of the Subordinate Obligations, (vi) accelerate the Subordinate Obligations or (vii) give a notice of default to the Borrower and provide concurrent notices to the Senior Agent pursuant to Section 4.1 hereunder.

For greater certainty, following the expiration of a Standstill Period, the Subordinate Creditor may take any or all of the actions described in Section 3.5(1), (2) or (3) above without the prior written consent of the Senior Agent.

**3.6 No Challenge.** Notwithstanding Section 3.5, neither Creditor will, in any manner, challenge, contest or bring into question the validity, priority, perfection or enforceability of any of the Obligations or the Security or take any action whereby the priorities set within this Agreement might be impaired or defeated.

**3.7 Standstill Period.** For greater certainty, if at any time a Default or, if more than one, all of the Defaults, set out in a Standstill Notice or multiple Standstill Notices issued by a Creditor is or are (a) cured (if and to the extent capable of cure), or (b) waived or revoked by such Creditor, then such Creditor will not be entitled to take any steps to enforce payment of the applicable Obligations but will have to rely on the issuance of a fresh Standstill Notice, in respect of a fresh Default, and the expiration of another Standstill Period. In addition, there may only be an aggregate of 225 days of standstill in any given 365-day period.

**3.8 Restrictions on Amendments to Senior Loan Documents.** Without the prior written consent of the Subordinate Agent, such consent not to be unreasonably withheld, the Senior Creditor shall not amend or otherwise modify the Senior Loan Documents, or otherwise take any other action, so as to (i) at any time, extend credit accommodation (excluding, for certainty, Hedge Agreements and Service Agreements) to the Borrower in a principal amount which exceeds \$77,000,000, less the aggregate of all payments of principal under the Term Facility; (ii) increase the interest rates applicable to the Senior Obligations from those in effect on the date of

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this Agreement (other than by reason of the occurrence of a Default under the Senior Loan Documents and then in accordance with the Senior Loan Documents) by more than 2% above the interest rate formula set forth in the Senior Credit Agreement on the date hereof, above the interest rate formulas currently set forth in the Senior Credit Agreement; (iii) re-advance any amount repaid in connection with the Term Facility; (iv) prohibit the Borrower or any of the Guarantors from making payments in respect of the Subordinate Obligations that, in each case, are permitted by this Agreement; (v) shorten the amortization schedule for any Senior Obligations or increase the amount of any scheduled principal payments on any Senior Obligations from those in effect on the date of this Agreement or as otherwise subsequently agreed to by the Subordinate Agent; or (vi) impose any fees or other charges on the Borrower or any of the Guarantors in connection with the waiver of one or more Defaults under the Senior Loan Documents, except in an aggregate amount that does not exceed, in any 365 (or 366 if applicable) day period, 2% of the maximum committed principal amount of Senior Obligations that is outstanding during such 365 (or 366 if applicable) day period.

**3.9 Restrictions on Amendments to Subordinate Loan Documents.** Without the prior written consent of the Senior Agent, such consent not to be unreasonably withheld, the Subordinate Creditor shall not amend or otherwise modify the Subordinate Loan Documents, or otherwise take any other action, so as to (i) increase the principal amount owing pursuant to the Subordinate Credit Agreement (other than increases resulting from the capitalization of interest and other amounts not paid in cash as a result of the application of the provisions of Section 3.3 hereof); (ii) increase the interest rates applicable to the Subordinate Obligations from those in effect on the date of this Agreement (other than by reason of the occurrence of a Default under the Subordinate Loan Documents as provided in subsection (iii) below) by more than 2% (provided that such increased interest is PIK interest and not cash pay); which for greater certainty is a current cash pay interest rate of 13% (4% of which may be converted to deferred or PIK interest at the option of the Borrower); (iii) make any new loans to the Borrower or any Guarantor or re-advance any of the existing loans made pursuant to the Subordinate Credit Agreement; (iv) charge a default rate of interest in excess of 2% (and for greater certainty, such default rate of interest shall only be PIK interest and not cash pay); (v) shorten the scheduled maturity of any Subordinate Obligations from those in effect on the date of this Agreement; (vi) impose any scheduled principal payments or amortization schedule on any Subordinate Obligations; (vii) impose any fees or other charges on the Borrower or any of the Guarantors in connection with the waiver of one or more Defaults under the Subordinate Loan Documents, except in an aggregate amount that does not exceed, in any 365 (or 366 if applicable) day period, 2% of the maximum principal amount of Subordinate Obligations that is outstanding during such 365 (or 366 if applicable) day period; or (viii) amend or modify the provisions of any of the Subordinate Loan Documents in any manner which is more onerous than the provisions of the Subordinate Loan Documents in effect on the date of this Agreement unless corresponding changes have been or are being made to the Senior Loan Documents.

### **3.10 Sub-Agency of Senior Agent**

(a) The Senior Agent agrees that if it shall at any time hold a Lien pursuant to the Senior Security on any Assets that can be perfected by the possession or control of such Assets or by control over any account in which such Assets is held, and if such Assets or any such account is in fact in the possession or under the control of the Senior Agent, or of agents or bailees of the

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Senior Agent (such Assets being referred to herein as the “**Pledged or Controlled Assets**”), the Senior Agent, shall, solely for the purpose of perfecting the Liens granted pursuant to the Subordinate Security and subject to the terms and conditions of this Section 3.10, also hold such Pledged or Controlled Assets as gratuitous bailee for the Subordinate Agent.

(b) The obligations and responsibilities of the Senior Agent to the Subordinate Agent under this Section shall be limited solely to holding or controlling the Pledged or Controlled Assets as gratuitous bailee in accordance with this Section 3.10. Without limiting the foregoing, the Senior Agent shall have no obligation or responsibility to ensure that any Pledged or Controlled Assets is genuine or owned by the Borrower or the Guarantors. The Senior Agent acting pursuant to this Section 3.10 shall not, by reason of this Agreement, any other Senior Loan Document or any other document, have a fiduciary relationship in respect of any other Senior Lender or the Subordinate Creditor.

(c) Upon payment in full of the Senior Obligations, the Senior Agent shall transfer the possession and control of the Pledged or Controlled Assets, together with any necessary endorsements but without recourse or warranty, (i) if the Subordinate Obligations are outstanding at such time and the Pledged or Controlled Assets have been pledged to the Subordinate Agent as part of the Subordinate Security, to the Subordinate Agent and (ii) if no Subordinate Obligations are outstanding at such time or the Pledged or Controlled Assets have not been pledged to the Subordinate Agent as part of the Subordinate Security, to the Borrower, in each case so as to allow such Person to obtain possession and control of such Pledged or Controlled Assets. In connection with any transfer under clause (i) of the immediately preceding sentence, the Senior Agent agrees to take reasonable actions in its power (with all costs and expenses in connection therewith to be for the account of the Borrower and the Guarantors) as shall be reasonably requested by the Subordinate Agent to permit the Subordinate Agent to obtain a first priority security interest in the Pledged or Controlled Assets.

**3.11 Insurance and Condemnation Awards.** So long as the Senior Obligations have not been paid in full, the Senior Creditor shall have the exclusive right, subject to the rights of the Borrower and the Guarantors under the Senior Credit Agreement, to settle and adjust claims in respect of the Assets under policies of insurance and to approve any award granted in any condemnation or similar proceeding. All proceeds of any such policy and any such award, shall (a) first, subject to the terms of the Senior Credit Agreement, be paid to the Senior Agent for the benefit of Senior Lenders pursuant to the terms of the Senior Loan Documents, (b) second, after the payment in full of the Senior Obligations and in accordance with the terms of the Subordinate Credit Agreement, be paid to the Subordinate Agent for the benefit of the Subordinate Lenders pursuant to the terms of the Subordinate Loan Documents, and (c) third, if no Obligations are outstanding, be paid to the owner of the subject property, to such other Person as may be entitled thereto or to such Person as a court of competent jurisdiction may otherwise direct. Until the payment in full of the Senior Obligations, if the Subordinate Creditor shall, at any time, receive any proceeds of any such insurance policy or any such award or payment to which it is not entitled hereunder, it shall segregate and hold in trust and forthwith transfer and pay over such proceeds to the Senior Agent to be applied against the Senior Obligations.

**3.12 Liquidation, Dissolution, Bankruptcy, etc.**



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(a) In the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the Assets or in the event of any other payment or distribution to creditors of the Borrower or any Guarantor (including, without limitation, any dividends in a bankruptcy and any payment or distributions of cash or of securities of the Borrower, any Guarantor or another person under a plan of arrangement) in connection with any Insolvency Proceeding relating to the Borrower or any Guarantor, the Senior Lenders shall (subject to the terms of this Agreement) be entitled to receive payment in full (including interest accruing to the date of receipt of such payment at the applicable rate whether or not allowed as a claim in any such proceeding) of the Senior Obligations before the Subordinate Lenders are entitled to receive any direct or indirect payment or distribution of any cash or other property on account of the Subordinate Obligations, and the Senior Lenders shall be entitled to receive directly, for application in payment of such Senior Obligations (to the extent necessary to pay all Senior Obligations in full after giving effect to any substantially concurrent payment or distribution to the Senior Lenders in respect of the Senior Obligations), any payment or distribution of any kind or character, whether in cash or other property, which shall be payable or deliverable upon or with respect to the Subordinate Obligations. To the extent any payment of Senior Obligations (whether by or on behalf of the Borrower or any Guarantor, as proceeds of security or enforcement of any right of set-off or otherwise) is declared to be a fraudulent preference or otherwise preferential, set aside, disallowed, rescinded or required to be paid to a trustee, receiver or other similar person under applicable law, then if such payment is recoverable by, or paid over to, such trustee, receiver or other person, the Senior Obligations or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

(b) In order to enable the Senior Lenders to enforce their rights hereunder in any of the actions or proceedings described in this Section 3.12, upon the failure of the Subordinate Lenders (after request by the Senior Agent therefor) to make and present on a timely basis (such timeline to be decided by the Subordinate Lenders and the Senior Lenders, acting reasonably, based on the circumstances surrounding the actions or proceedings described in this Section 3.12) a proof of claim against the Borrower or any Guarantor on account of the Subordinate Obligations or other motion or pleading as may be expedient or proper to establish the Subordinate Lenders' entitlement to payment of any Subordinate Obligations, the Senior Agent for and on behalf of the Senior Lenders is hereby irrevocably authorized and empowered, in its discretion and at its expense (reimbursable by the Borrower), to make and present for and on behalf of the Subordinate Lenders such proofs of claims or other motions or pleadings and to demand, receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and to apply the same on account of the Senior Obligations in accordance with Section 6 of this Agreement. The Subordinate Agent and the Subordinate Lenders hereby covenant and agree not to exercise any voting right or other privilege that it may have from time to time in any bankruptcy or insolvency proceeding pursuant to Insolvency Legislation in favour of any plan, proposal, compromise, arrangement or similar transaction or to make or to join in any claim or other action that would defeat: (a) the right of the Senior Lenders to receive payments and distributions in accordance with this Agreement otherwise payable or deliverable upon or with respect to the Subordinate Obligations so long as any Senior Obligations remain outstanding; or (b) the obligation of the Subordinate Lenders to receive, hold in trust, and pay over to the Senior Lenders certain payments and distributions as contemplated by this Agreement. All allocations of payments between the Senior Lenders and the Subordinate

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Lenders shall, subject to any court order to the contrary, continue to be made after the commencement of any Insolvency Proceeding, on the same basis that the payments were to be allocated hereunder prior to the date of such filing. The Subordinate Lenders hereby agree that the priorities and subordination agreed to in this Agreement shall, as between the Creditors, be paramount to any plan, proposal, compromise, arrangement or similar transaction in connection with the Borrower or any Guarantor. The Subordinate Agent and the Subordinate Lenders hereby agree that this Agreement be deemed and hereby is a subordination agreement under Section 510(a) of the Bankruptcy Code and effective in any Insolvency Proceeding.

(c) DIP Financing and Use of Cash Collateral

- (i) Until the payment in full of all of the Senior Obligations, if an Insolvency Proceeding has been commenced by or against the Borrower or a Guarantor, the Subordinate Lenders will not contest, protest or object to (1) any use of "cash collateral" (as defined in Section 363(a) of the Bankruptcy Code), or (2) any provision of financing under Section 364 of the Bankruptcy Code or any similar reorganization or bankruptcy laws to the Borrower or any Guarantor ("**DIP Financing**") by the Senior Lenders, subject to limitations set out in Section 3.8(i) hereof.
- (ii) No Subordinate Lender may provide DIP Financing to the Borrower or any Guarantor secured by Liens equal or in priority to the Liens securing any Senior Obligations.

(d) The Subordinate Agent and the Subordinate Lenders, agree that they shall not object to, contest, or support any other Person objecting to or contesting, (i) any request by the Senior Agent or the Senior Lenders for adequate protection, (ii) any objection by the Senior Agent or the Senior Lenders to any motion, relief, action or proceeding based on a claim of a lack of adequate protection, or (iii) the payment of interest, fees, expenses or other amounts to the Senior Agent or the Senior Lenders under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise. Notwithstanding anything contained in this Section, in any Proceeding, (x) the Subordinate Agent and the Subordinate Lenders may seek, support, accept or retain adequate protection (A) only if the Senior Agent and the Senior Lenders are granted adequate protection that includes replacement Liens on additional collateral and superpriority claims and (B) solely in the form of (1) a replacement Lien on such additional collateral, subordinated to the Liens in favor of the Senior Agent or the Senior Lenders and such DIP Financing on the same basis as the other Liens in favor of the Subordinate Agent and the Subordinate Lenders are so subordinated to the Senior Obligations under this Agreement, and (2) solely to the extent that the Assets pledged or secured by the Subordinate Loan Documents has been diminished in connection with such Proceeding, superpriority claims junior in all respects to the superpriority claims granted to the Senior Agent and the Senior Lenders, and (y) in the event the Subordinate Agent or the Subordinate Lenders receive adequate protection, including in the form of additional collateral, then the Subordinate Agent and the Subordinate Lenders, agree that the Senior Creditor shall have a senior Lien and claim on such adequate protection as security for the Senior Obligations and that any Lien on any additional collateral securing the Subordinate Obligations shall be subordinated to the Liens on such collateral securing the Senior Obligations and any DIP Financing (and all indebtedness, obligations, and liabilities relating thereto) and any other Liens

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granted to the Senior Creditor as adequate protection, with such subordination to be on the same terms that the other Liens securing the Subordinate Obligations are subordinated to such Senior Obligations under this Agreement.

#### SECTION 4 – ENFORCEMENT AND REMEDIES

4.1 **Notice.** Each of the Senior Agent and the Subordinate Agent agrees to give the other (a) concurrent notice of the occurrence of a Default under its Loan Documents if notice thereof is given to or received from the Borrower or any of the Guarantors, (b) concurrent notice of a Demand made by it under its Loan Document, and (c) prior notice of the exercise of enforcement remedies; provided that they shall not incur any liability for failure to provide such notice (except as provided by any applicable law).

4.2 **Remedies.** Each Creditor acknowledges that all covenants, provisions and restrictions contained herein are necessary and fundamental in order to establish the respective priorities of the Creditors in connection with the Obligations and the Security, and that a breach of any such covenant, provision or restriction would result in damages that could not adequately be compensated by monetary award. Accordingly, it is expressly agreed that, in addition to all other remedies available to it, including any action for damages, a Creditor will be entitled to the immediate remedy of a restraining order, interim injunction, injunction or other form of injunctive or other relief as may be decreed or issued by any court of competent jurisdiction to restrain or enjoin the other Creditor from breaching any such covenant, provision or restriction.

4.3 **Application of Cash Proceeds of Realization.** All Cash Proceeds of Realization will be applied and distributed, and the Security will be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:

- (1) firstly, to the payment of all reasonable costs and expenses incurred by the Senior Creditor in the exercise of all or any of the powers granted to it under the Senior Security and in payment of the remuneration of any Receiver and all costs incurred by such Receiver in the exercise of all or any powers granted to it under the Senior Security;
- (2) secondly, to the payment or prepayment in full of the Senior Obligations (including holding Cash Proceeds of Realization as cash collateral to be applied against Senior Obligations which have not then matured) with the amount owing to the Senior Creditor not being in excess of the aggregate of the lesser of (excluding the Hedge Agreements and Service Agreements) (A) \$77,000,000, less the aggregate of all payments of principal under the Term Facility and all accrued or capitalized interest and fees thereon; and (B) the outstanding principal indebtedness under the Senior Credit Agreement plus all accrued or capitalized interest and fees thereon;
- (3) thirdly, to the payment of all reasonable costs and expenses incurred by the Subordinate Creditor in the exercise of all or any of the powers granted to it under the Subordinate Security and in payment of the remuneration of any Receiver and all costs incurred by such Receiver in the exercise of all or any powers granted to it under the Subordinate Security, provided that the Subordinate Creditor is permitted to exercise such powers and to appoint a Receiver pursuant to this Agreement;

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- (4) fourthly, to the payment or prepayment in full of the Subordinate Obligations (including holding Cash Proceeds of Realization as cash collateral to be applied against Subordinate Obligations which have not then matured), with the amount owing to the Subordinate Creditor not being in excess of the aggregate of the lesser of (A) \$20,000,000 and all accrued or capitalized interest and fees thereon and (B) the outstanding principal indebtedness under the Subordinate Credit Agreement plus all accrued or capitalized interest and fees thereon;
- (5) fifth, to any remaining amounts owing to the Senior Creditor in connection with the Senior Obligations;
- (6) sixth, to any remaining amounts owing to the Subordinate Creditor in connection with the Subordinate Obligations; and
- (7) the balance, if any, in accordance with applicable law.

**4.4 Proceeds Held in Trust.** If any non-cash Proceeds of Realization are delivered to or received by the Subordinate Creditor, or in respect of the Subordinate Obligations, prior to termination of this Agreement in accordance with Section 6.14, the Subordinate Creditor will hold non-cash Proceeds of Realization in trust for the Senior Creditor and will forthwith deliver such non-cash Proceeds of Realization to the Senior Agent. If any Cash Proceeds of Realization, prepayments or other payments are made to or received by the Subordinate Creditor in contravention of this Agreement, the Subordinate Creditor will hold such Cash Proceeds of Realization, prepayments or payments in trust for the Senior Creditor and will forthwith pay such Cash Proceeds of Realization, prepayments or payments to the Senior Agent for application in accordance with Section 4.3 hereof. For greater certainty, the Subordinate Creditor agrees that, if all or any part of any payment made on account of the Senior Obligations is recovered by the Subordinate Creditor from the Senior Creditor as a preference, fraudulent transfer or similar payment under any Insolvency Legislation or other law, any payment or distribution received by the Subordinate Creditor on the Subordinate Obligations will be deemed to have been received by it in trust for the Senior Creditor and will promptly be paid over to the Senior Agent until the satisfaction in full in cash of all Senior Obligations. Should the Subordinate Creditor fail to promptly pay over and deliver or cause to be paid over or delivered such payment or Proceeds of Realization, to the Senior Agent, the Subordinate Creditor agrees that it shall reimburse the Senior Creditor entitled thereto for the full amount of such payment or Proceeds of Realization it has received and all of the costs of collection and recovery thereof, including reasonable legal fees and disbursements.

**4.5 Appointment of Receiver.** Whether before or after a Standstill Period and until such time as the Senior Obligations have been paid in full, any Receiver appointed by the Senior Creditor shall be entitled to exclusive possession, custody and control of the Assets. In the event that the Subordinate Creditor appoints a Receiver of the Borrower or any Guarantor or over any of the Assets and thereafter the Senior Creditor appoints a Receiver of the Borrower, such Guarantor or such Assets, the Subordinate Creditor shall terminate the appointment of its Receiver upon request by the Senior Agent.

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## **SECTION 5 – REPRESENTATIONS AND WARRANTIES OF CREDITORS**

**5.1 Representations and Warranties.** To induce each Creditor to extend credit to the Borrower and to continue to extend credit to the Borrower under the Loan Documents, each Creditor hereby represents and warrants to the other Creditor as follows and acknowledges and confirms that each Creditor is relying upon such representations and warranties in continuing to extend credit to the Borrower under the Loan Documents:

- (a) Each Creditor has all requisite capacity, power and authority to enter into and carry out the transactions contemplated by this Agreement.
- (2) All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of this Agreement by each Creditor and each Creditor has duly executed and delivered this Agreement.
- (3) This Agreement is a legal, valid and binding obligation of each Creditor, enforceable against each Creditor by the other Creditor in accordance with its terms subject to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

## **SECTION 6 – MISCELLANEOUS**

**6.1 Application of this Agreement.** The rights of the Creditors and the priorities of the Security and the Obligations set out in this Agreement will apply irrespective of any matter or thing, including:

- (1) the validity or enforceability of any provision of the Security and the Loan Documents or any agreement forming part of the Obligations;
- (2) the time of creation, granting, execution, delivery, attachment, registration (to the extent registration is required), filing, perfection, crystallization or enforcement of any of the Obligations or the Security or any part thereof;
- (3) the jurisdictions where any of the Security is registered or the failure of either Creditor to properly register or perfect any of the Security in any particular jurisdiction;
- (4) the time of any loan, advance or other extension of credit made to the Borrower by either Creditor;
- (5) the time of Default or Demand;
- (6) any priority otherwise accorded to the Obligations and the Security under applicable law;
- (7) any failure of, or delay by, the Senior Agent or any Senior Lender;

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- (i) to assert any claim or demand or to enforce any right, power or remedy against the Borrower or any Guarantor under the Senior Loan Documents, any applicable law or otherwise; or
  - (ii) to exercise any right, power or remedy against the Borrower any Guarantor or the Senior Security;
- (8) the provisions of the instruments or documents creating any of the Security; or
- (9) any other matter whatsoever which might otherwise constitute a defense available to, or a legal or equitable discharge of, or otherwise prejudicially affect the subordination herein provided.

Any action taken or thing done by a Creditor in contravention of this Agreement will be null and void and of no effect.

**6.2 No Release.** This Agreement shall remain in full force and effect without regard to, and the obligations of the Creditors hereunder shall not be released or otherwise affected or impaired by:

- (1) any exercise or non-exercise by the Senior Lenders of any right, remedy, power or privilege in any of the Senior Loan Documents;
- (2) any waiver, consent, extension, indulgence or other action, inaction or omission by the Senior Lenders under or in respect of this Agreement or any of the Senior Loan Documents;
- (3) any default by the Borrower or any Guarantor under, any limitation on the liability of the Borrower or any Guarantor on the method or terms of payment under, or any irregularity or other defect in, any of the Senior Loan Documents;
- (4) the lack of authority or revocation hereof by any other Person;
- (5) any defence based upon an election of remedies by a Creditor which destroys or otherwise impairs the subrogation rights of the other Creditor;
- (6) any merger, consolidation or amalgamation of the Subordinate Agent, any Subordinate Lender or, the Borrower or any Guarantor, into or with any other Person;
- (7) any Insolvency Proceeding pursuant to Insolvency Legislation in respect of the Subordinate Lenders, the Senior Lenders or any of them; or
- (8) any Insolvency Proceeding affecting the Borrower or any Guarantor.

**6.3 Agreement Not to Apply.** As between the Creditors, nothing contained in this Agreement shall be construed as entitling a Creditor to receive any Proceeds of Realization in respect of which such Creditor's Security has been judicially determined by final judgment to be invalid, unperfected or unenforceable against third parties. Furthermore, if any third party shall have a claim to any Proceeds of Realization in priority to or on a parity with one Creditor but not

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in priority to or on a parity with the other Creditor, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for the provisions hereof) of such other Creditor to such Proceeds of Realization. Nothing contained in this Agreement shall be construed as conferring any rights upon any person other than the Creditors.

**6.4 Continuing Agreement.** This Agreement shall constitute a continuing agreement, even though at times, neither the Borrower nor any of the Guarantors is indebted to a Creditor under the applicable Loan Documents but either Creditor remains committed to advance additional funds under the respective Loan Documents and each Creditor may continue, without notice to the other Creditor, to lend money, extend credit and make other financial accommodations to or for the account of the Borrower on the faith hereof

**6.5 Waivers and Amendments.** None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditors and, but only to the extent that any such waiver, amendment, supplement or other modification, as the case may be, directly impacts on the obligations and duties of the Borrower and/or any of the Guarantors under this Agreement, is consented to by the Borrower and/or the Guarantors, as the case may be. Neither Creditor will by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of either Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by either Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which such Creditor would otherwise have on any future occasion.

**6.6 Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

**6.7 Counterparts.** This Agreement may be executed in any number of counterparts, all of which will be deemed to be an original and such counterparts taken together will constitute one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.

**6.8 Further Assurances.** The Creditors, the Borrower and the Guarantors agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof, including all acts, deeds and agreements as may be necessary or desirable for the purpose of registering or filing notice of the terms of this Agreement.

**6.9 Communication.** Any communication required or permitted to be given under this Agreement will be in writing and will be effectively made and given if (a) delivered personally,

- 19 -

(b) sent by prepaid courier service or mail, or (c) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the relevant Creditor, the Borrower and each Guarantor set out on the signature pages to this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. Either Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

**6.10 Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the parties hereto and their successors and permitted assigns; provided, however, that such assignment is subject to the prior written consent of the other Creditor and that having received the prior written consent of the other Creditor only (and not the Borrower or the Guarantor) neither Creditor will assign any of its right, title or interest in respect of any of the Obligations or the Security unless the assignee agrees in writing with the other Creditor to be bound by this Agreement. The Borrower and each Guarantor shall be bound and subject to any such assignment.

**6.11 Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the priority of the Obligations and the Security and supersedes any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the priority of the Obligations and the Security. There are no restrictions, agreements, promises, warranties, covenants or undertakings relating to the priority of the Obligations and the Security other than those set forth in this Agreement.

**6.12 Adhesion Agreement.** The Borrower agrees that each Guarantor arising after the date hereof shall immediately execute an adhesion agreement whereby it acknowledges and agrees to be bound by the terms of this Agreement as if an original party thereto. Each new Subordinate Lender and Senior Lender shall execute an adhesion agreement whereby it acknowledges and agrees to be bound by the terms of this Agreement as if an original party thereto. Such adhesion agreement shall be in form and substance acceptable to the Senior Agent and Subordinate Agent.

**6.13 No Marshalling.** The Subordinate Creditor hereby waives any right it may have to require the Senior Creditor to marshal in its favour.

**6.14 Termination.** This Agreement will terminate upon indefeasible payment in full of all Senior Obligations and Subordinate Obligations and cancellation or termination of the Senior Loan Documents and the Subordinate Loan Documents.

The parties have executed this Agreement as of the day and year first written above.

[signatures continued on next page]



S-1

**Bank of Montreal**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 360-7168

**BANK OF MONTREAL**, as Senior Agent

By:   
Name: **Jeanette M MacDonald**  
Title: **Director**

By: \_\_\_\_\_  
Name:  
Title:

**Bank of Montreal**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 360-7168

**BANK OF MONTREAL**, as Senior Lender

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**HSBC Bank Canada**  
70 York Street  
Toronto, Ontario M5J 1S9

Attention: Dino Fracassi, Assistant Vice  
President  
Fax No. (416) 868-3802

**HSBC BANK CANADA**, as Senior Lender

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-1

**Bank of Montreal**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 360-7168

**BANK OF MONTREAL, as Senior Agent**

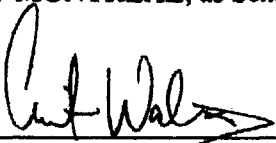
By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**Bank of Montreal**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 360-7168

**BANK OF MONTREAL, as Senior Lender**

By:   
Name: **Amit Walia**  
Title: **Director**

By:   
Name: **Kerry O'Sullivan**  
Title: **Managing Director**

**HSBC Bank Canada**  
70 York Street  
Toronto, Ontario M5J 1S9

Attention: Dino Fracassi, Assistant Vice  
President  
Fax No. (416) 868-3802

**HSBC BANK CANADA, as Senior Lender**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-1

**Bank of Montreal**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 360-7168

**BANK OF MONTREAL**, as Senior Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Bank of Montreal**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 360-7168

**BANK OF MONTREAL**, as Senior Lender

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**HSBC Bank Canada**  
70 York Street  
Toronto, Ontario M5J 1S9

Attention: Dino Fracassi, Assistant Vice  
President  
Fax No. (416) 868-3802

**HSBC BANK CANADA**, as Senior Lender

By: \_\_\_\_\_  
Name: **Dino Fracassi**  
Assistant Vice President  
Commercial Banking  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: **JESSE MacMASTERS**  
ASSISTANT VICE PRESIDENT  
COMMERCIAL BANKING  
Title: \_\_\_\_\_

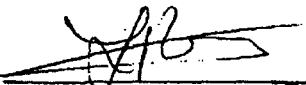
[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-2

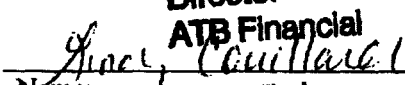
**ATB Corporate Financial Services**  
600 – 444 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0X8

Attention: Lindsey Ross, Director  
Fax No. (403) 974 5191

**ATB CORPORATE FINANCIAL SERVICES, as Senior Lender**

By: 

Name: **Lindsey Ross**  
Title: **Director**

By: 

Name: **Lindy Couillard**  
Title: **Senior Associate Director  
Commercial Group  
ATB Corporate Financial Services**

**The Manufacturers Life Insurance Company**  
200 Bloor Street East NT-4  
Toronto, ON M4W 1E5

Attention: Vipon Ghai  
Senior Managing Director  
Fax No. 416-926-5737

**THE MANUFACTURERS LIFE INSURANCE COMPANY, as Subordinate Agent**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**The Manufacturers Life Insurance Company**  
200 Bloor Street East NT-4  
Toronto, ON M4W 1E5

Attention: Vipon Ghai  
Senior Managing Director  
Fax No. 416-926-5737

**THE MANUFACTURERS LIFE INSURANCE COMPANY, as Subordinate Lender**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-2

**ATB Corporate Financial Services**  
600 – 444 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0X8

Attention: Lindsey Ross, Director  
Fax No. (403) 974 5191

**ATB CORPORATE FINANCIAL SERVICES**, as Senior Lender

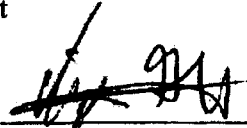
By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**The Manufacturers Life Insurance Company**  
200 Bloor Street East NT-4  
Toronto, ON M4W 1E5

Attention: Vipon Ghai  
Senior Managing Director  
Fax No. 416-926-5737

**THE MANUFACTURERS LIFE INSURANCE COMPANY**, as Subordinate Agent

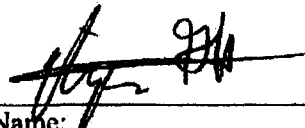
By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**The Manufacturers Life Insurance Company**  
200 Bloor Street East NT-4  
Toronto, ON M4W 1E5

Attention: Vipon Ghai  
Senior Managing Director  
Fax No. 416-926-5737

**THE MANUFACTURERS LIFE INSURANCE COMPANY**, as Subordinate Lender

By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

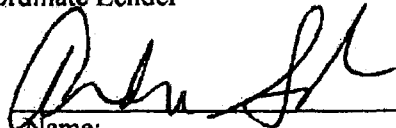
[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-3


**Bank of Montreal d.b.a. BMO Capital Partners**  
1 First Canadian Place  
11<sup>th</sup> Floor  
Toronto, ON M5X 1A1

Attention: Director  
Fax No. (416) 867-4108

**BANK OF MONTREAL d.b.a. BMO CAPITAL PARTNERS, as Subordinate Lender**

By:   
Name: \_\_\_\_\_

Title: **Andre Salvi**  
**Managing Director**

By:   
Name: \_\_\_\_\_  
Title: **Aaron Toporowski**  
**Director**

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-4

**PTCAN, Inc.**

5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**1616057 Ontario Limited**

5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**Globility Communications Corporation**


5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110


c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

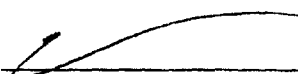
**PTCAN, INC.**

By:   
Name: \_\_\_\_\_  
Title:

**1616057 ONTARIO LIMITED**

By:   
Name: \_\_\_\_\_  
Title:

**GLOBILITY COMMUNICATIONS CORPORATION**

By:   
Name: \_\_\_\_\_  
Title:

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

S-5


**Primus Telecommunications Canada Inc.**  
5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**PRIMUS TELECOMMUNICATIONS  
CANADA INC.**

By:   
Name: \_\_\_\_\_  
Title:

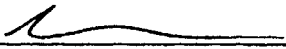
**Telesonic Communications Inc.**  
5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**TELESONIC COMMUNICATIONS INC.**

By:   
Name: \_\_\_\_\_  
Title:


**PTUS, Inc.**  
5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**PTUS, INC.**

By:   
Name: \_\_\_\_\_  
Title:

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]



S-6

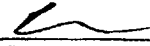
**Lingo, Inc.**  
5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**LINGO, INC.**

By:   
Name: \_\_\_\_\_  
Title:

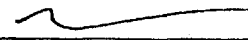
**iPrimus USA, Inc.**  
5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**IPRIMUS USA, INC.**

By:   
Name: \_\_\_\_\_  
Title:

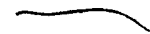
**PT Holdco, Inc.**  
5343 Dundas Street West, Suite 400  
Etobicoke, ON M9B 6K5

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

c/o York Special Opportunities Fund, L.P.  
767 Fifth Avenue, 17th Floor  
New York, New York, United States

Attention: Chief Financial Officer  
Facsimile: 1-877-329-5110

**PT HOLDCO, INC.**

By:   
Name: \_\_\_\_\_  
Title:

[SIGNATURE PAGE TO THE INTERCREDITOR AGREEMENT]

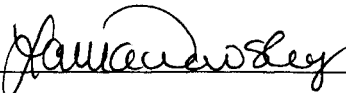
**TAB B**

**EXHIBIT "B"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

Laura Elizabeth Dowsley, a Commissioner, ~~etc.~~,  
Province of Ontario, while a Student-at-Law.  
Expires ~~Jan 17, 2017~~.

**PT Holdco, Inc.****Consolidated Balance Sheet - unaudited  
as at Nov 30, 2015**

	PTCI	PTUS Consolidated	PT Holdco	Cons. Adj.	PT Holdco Cons. Nov 30, 2015	PT Holdco Cons. Dec 31, 2014
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash and cash equivalents	2,596,202	236,591	64,001	-	<b>2,896,794</b>	5,495,161
Accounts receivable	9,832,294	1,497,311	-	-	<b>11,329,605</b>	11,708,867
Prepaid expenses	2,138,949	141,413	-	-	<b>2,280,362</b>	2,239,622
Investment in subsidiaries	-	-	56,534,499	(56,534,499)	(0)	(0)
Inventory, deposits and other receivables	1,267,453	382,087	-	-	<b>1,649,540</b>	1,886,350
	<b>15,834,898</b>	<b>2,257,402</b>	<b>56,598,500</b>	<b>(56,534,499)</b>	<b>18,156,301</b>	<b>21,330,000</b>
Capital assets and software	25,807,108	1,151,221	-	-	<b>26,958,328</b>	30,867,835
Goodwill and other intangibles	82,864,048	15,731,962	-	-	<b>98,596,009</b>	101,104,873
Restricted cash	295,000	-	-	-	<b>295,000</b>	370,000
Deposit held in escrow	-	-	-	-	-	-
Deferred charges	1,142,342	-	-	-	<b>1,142,342</b>	1,766,736
	<b>125,943,396</b>	<b>19,140,584</b>	<b>56,598,500</b>	<b>(56,534,499)</b>	<b>145,147,981</b>	<b>155,439,444</b>
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable	7,521,273	366,595	-	-	<b>7,887,868</b>	8,068,317
Accrued liabilities	6,071,076	1,412,179	-	-	<b>7,483,255</b>	6,078,737
Income taxes payable	-	(23,336)	-	-	<b>(23,336)</b>	(8,856)
Deferred revenue	5,788,759	308,796	-	-	<b>6,097,555</b>	6,625,461
Future income taxes	-	-	-	-	-	-
Other current liabilities	3,591,963	5,348,866	-	-	<b>8,940,829</b>	8,083,114
Current portion of long-term debt	11,500,000	-	-	-	<b>11,500,000</b>	11,500,000
	<b>34,473,072</b>	<b>7,413,100</b>	<b>-</b>	<b>-</b>	<b>41,886,172</b>	<b>40,346,773</b>
Future income taxes	5,869,254	1,045,540	-	-	<b>6,914,794</b>	6,777,612
Long-term debt	52,171,360	-	-	-	<b>52,171,360</b>	51,517,945
Due to related companies	(9,725,030)	10,472,324	(747,294)	-	(0)	(0)
	<b>82,788,656</b>	<b>18,930,964</b>	<b>(747,294)</b>	<b>-</b>	<b>100,972,326</b>	<b>98,642,330</b>
<b>SHAREHOLDER'S EQUITY</b>						
Capital stock	53,244,934	3,289,565	57,334,410	(56,534,499)	<b>57,334,410</b>	57,334,410
Retained earnings (deficit)	452,029	(1,338,306)	4,214	(1,007,577)	<b>(1,889,641)</b>	(912,664)
Net income (loss)	(10,542,223)	(2,314,650)	7,170	(1,314,000)	<b>(14,163,704)</b>	(976,976)
Cumulative translation adjustments	-	573,012	-	2,321,577	<b>2,894,590</b>	1,352,344
	<b>43,154,740</b>	<b>209,621</b>	<b>57,345,793</b>	<b>(56,534,499)</b>	<b>44,175,655</b>	<b>56,797,113</b>
	<b>125,943,396</b>	<b>19,140,584</b>	<b>56,598,500</b>	<b>(56,534,499)</b>	<b>145,147,981</b>	<b>155,439,444</b>

**PT Holdco, Inc.****Consolidated Income Statement - unaudited**  
for the eleven months ending Nov 30, 2015

	PTCI	PTUS Consolidated	PT Holdco	Cons. Adj.	PT Holdco Consolidated
<b>REVENUE</b>	\$ 132,658,778	\$ 18,267,622	\$ -	\$ -	\$ 150,926,400
Cost of sales	74,742,391	9,451,906	-	-	84,194,296
<b>GROSS MARGIN</b>	<b>57,916,387</b>	<b>8,815,716</b>	-	-	<b>66,732,104</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE</b>					
Salaries and benefits	28,861,738	3,128,221	-	-	31,989,959
Sales and marketing	7,656,670	919,697	-	-	8,576,367
Occupancy	3,707,459	457,322	-	-	4,164,781
Professional fees	3,309,613	1,507,368	-	-	4,816,981
Travel and entertainment	333,195	49,740	-	-	382,936
General and administrative	5,036,582	2,810,356	91	-	7,847,028
	<b>48,905,257</b>	<b>8,872,704</b>	<b>91</b>	-	<b>57,778,052</b>
<b>EBITDA</b>	<b>9,011,130</b>	<b>(56,988)</b>	<b>(91)</b>	-	<b>8,954,052</b>
Depreciation and amortization	13,552,398	869,846	-	-	14,422,244
<b>EARNINGS BEFORE UNDERNOTED</b>	<b>(4,541,267)</b>	<b>(926,834)</b>	<b>(91)</b>	-	<b>(5,468,192)</b>
Interest expense, net	6,842,971	1,821	19	-	6,844,811
Other expense, net	1,466,416	42,618	-	-	1,509,034
Foreign exchange loss (gain)	(1,009,216)	60	(8,397)	1,302,947	285,395
Inter-company charges, net	(1,318,731)	1,307,678	-	11,053	-
	<b>5,981,440</b>	<b>1,352,178</b>	<b>(8,377)</b>	<b>1,314,000</b>	<b>8,639,240</b>
<b>EARNINGS BEFORE TAXES</b>	<b>(10,522,707)</b>	<b>(2,279,011)</b>	<b>8,287</b>	<b>(1,314,000)</b>	<b>(14,107,432)</b>
Provision for (recovery of) income taxes:	19,516	35,639	1,117	-	56,272
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(10,542,223)</b>	<b>(2,314,650)</b>	<b>7,170</b>	<b>(1,314,000)</b>	<b>(14,163,704)</b>
Retained earnings (deficit), beginning of period	452,029	(1,338,306)	(4,214)	-	(1,889,641)
Retained earnings (deficit), end of period	\$ (10,090,195)	\$ (3,652,956)	\$ 2,956	\$ (1,314,000)	\$ (16,053,345)


**TAB C**

**EXHIBIT "C"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016



Commissioner for Taking Affidavits

**Laura Elizabeth Dowsley, a Commissioner, etc.,**  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017.

**PT Holdco, Inc.****Consolidated Balance Sheet - unaudited  
as at Nov 30, 2015**

	PT Holdco Cons. Nov 30, 2015	PT Holdco Cons. Oct 31, 2015	PT Holdco Cons. Sep 30, 2015	PT Holdco Cons. Aug 31, 2015	PT Holdco Cons. Jul 31, 2015	PT Holdco Cons. Jun 30, 2015	PT Holdco Cons. May 31, 2015	PT Holdco Cons. Apr 30, 2015	PT Holdco Cons. Mar 31, 2015	PT Holdco Cons. Feb 28, 2015	PT Holdco Cons. Jan 31, 2015	PT Holdco Cons. Dec 31, 2014	PT Holdco Cons. Nov 30, 2014	PT Holdco Cons. Oct 31, 2014
<b>ASSETS</b>														
<b>CURRENT</b>														
Cash and cash equivalents	2,896,794	2,933,349	2,991,319	5,476,037	3,968,680	3,336,290	4,013,907	3,447,960	3,061,583	4,137,129	5,039,961	5,495,161	5,109,937	4,805,691
Accounts receivable	11,329,605	10,625,563	11,118,344	11,267,929	11,015,146	11,745,845	12,582,708	11,923,256	11,624,527	13,588,068	12,029,796	11,708,867	12,840,393	11,158,702
Prepaid expenses	2,280,362	2,062,911	2,196,408	2,176,226	2,530,920	2,169,146	2,212,599	1,941,471	2,098,613	2,026,628	2,377,996	2,239,622	2,538,294	2,759,042
Investment in subsidiaries	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Inventory, deposits and other receivables	1,649,540	1,718,373	1,877,636	1,839,461	1,832,665	1,919,110	2,097,428	2,214,255	1,915,205	2,099,891	2,044,782	1,886,350	1,812,193	2,049,499
	18,156,301	17,340,196	18,183,707	20,759,652	19,347,410	19,170,391	20,906,641	19,526,942	18,699,928	21,851,717	21,492,535	21,330,000	22,300,817	20,772,935
Capital assets and software	26,958,328	27,550,750	27,960,177	28,375,760	28,924,161	29,340,406	29,785,407	30,312,092	30,779,732	30,595,912	30,938,632	30,867,835	31,637,232	31,792,794
Goodwill and other intangibles	98,596,009	98,684,970	99,419,840	99,614,683	99,766,158	99,529,082	99,886,530	99,889,116	100,972,876	101,208,254	101,855,395	101,104,873	101,553,525	101,777,154
Restricted cash	295,000	295,000	295,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000
Deferred charges	1,142,342	1,198,327	1,254,611	1,310,690	1,369,562	1,424,993	1,480,517	1,537,235	1,594,730	1,652,803	1,710,889	1,766,736	1,895,184	1,939,632
	145,147,981	145,069,243	147,113,336	150,430,785	149,777,292	149,834,872	152,429,096	151,635,385	152,417,266	155,678,685	156,367,452	155,439,444	157,756,757	156,652,515
<b>LIABILITIES</b>														
<b>CURRENT</b>														
Accounts payable	7,887,868	7,318,406	9,311,269	12,014,200	10,759,596	11,114,397	11,546,236	10,657,566	9,662,475	8,332,491	8,915,921	8,068,317	8,708,117	7,737,035
Accrued liabilities	7,483,255	7,453,878	7,113,819	6,700,628	6,670,205	6,329,973	7,442,894	7,140,699	7,303,213	7,616,573	6,655,926	6,078,737	7,526,374	6,813,948
Income taxes payable	(23,336)	(22,850)	(23,322)	(22,993)	(22,859)	(21,828)	(9,494)	(9,210)	(9,669)	(9,545)	(9,704)	(8,856)	57,319	56,670
Deferred revenue	6,097,555	6,240,443	6,378,301	6,422,648	6,455,440	6,526,298	6,617,481	6,686,223	6,620,185	6,454,292	6,590,715	6,625,461	7,209,813	7,238,295
Other current liabilities	8,940,829	8,852,309	8,766,294	9,197,146	9,208,593	8,871,846	9,070,309	8,788,797	8,761,164	8,757,774	8,249,026	8,083,114	7,640,500	7,498,379
Current portion of long-term debt	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	9,000,000	9,000,000
	41,886,172	41,342,186	43,046,362	45,811,629	44,570,976	44,320,687	46,167,425	44,764,075	43,837,367	42,651,585	41,901,884	40,346,773	40,142,123	38,344,327
Future income taxes	6,914,794	6,893,027	6,914,168	6,899,447	6,564,364	6,564,364	6,564,364	6,564,364	6,564,364	6,564,364	6,564,364	6,777,612	6,564,364	6,564,364
Long-term debt	52,171,360	51,890,766	51,604,467	51,330,777	50,833,128	50,596,883	50,370,676	50,139,481	49,918,109	51,941,857	51,739,517	51,517,945	53,700,000	53,700,000
Due to related companies	(0)	(0)	0	0	(0)	0	0	(0)	0	0	0	1	(0)	(1)
	100,972,326	100,125,979	101,564,996	104,041,853	101,968,467	101,481,934	103,102,465	101,467,920	100,319,841	101,157,806	100,205,766	98,642,330	100,406,486	98,608,690
<b>SHAREHOLDER'S EQUITY</b>														
Capital stock	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410	57,334,410
Retained earnings (deficit)	(1,889,641)	(1,889,641)	(1,889,641)	(1,889,641)	(1,742,696)	(1,742,696)	(1,742,696)	(1,742,696)	(1,742,696)	(1,742,696)	(1,742,696)	(912,664)	(912,664)	(912,664)
Net income (loss)	(14,163,704)	(13,178,471)	(12,784,604)	(11,790,666)	(10,460,830)	(9,309,625)	(8,406,272)	(7,242,937)	(5,848,531)	(3,276,642)	(1,828,350)	(976,976)	(269,111)	583,807
Cumulative translation adjustments	2,894,590	2,676,965	2,888,174	2,734,829	2,677,940	2,070,849	2,141,190	1,818,688	2,354,242	2,205,807	2,398,322	1,352,344	1,197,637	1,038,272
	44,175,655	44,943,264	45,548,339	46,388,932	47,808,824	48,352,938	49,326,631	50,167,465	52,097,425	54,520,879	56,161,686	56,797,113	57,350,272	58,043,825
	145,147,981	145,069,243	147,113,336	150,430,785	149,777,292	149,834,872	152,429,096	151,635,385	152,417,266	155,678,685	156,367,452	155,439,444	157,756,757	156,652,515



**PT Holdco, Inc.****Consolidated Income Statement  
for the month ending Nov 30, 2015**

	PT Holdco Cons. Nov 2015	PT Holdco Cons. Oct 2015	PT Holdco Cons. Sep 2015	PT Holdco Cons. Aug 2015	PT Holdco Cons. Jul 2015	PT Holdco Cons. Jun 2015	PT Holdco Cons. May 2015	PT Holdco Cons. Apr 2015	PT Holdco Cons. Mar 2015	PT Holdco Cons. Feb 2015	PT Holdco Cons. Jan 2015	PT Holdco Cons. Dec 2014	PT Holdco Cons. Nov 2014	PT Holdco Cons. Oct 2014
<b>REVENUE</b>	\$ 13,085,190	\$ 13,504,922	\$ 13,420,747	\$ 13,451,990	\$ 13,679,639	\$ 13,741,057	\$ 13,934,268	\$ 13,863,109	\$ 14,079,719	\$ 13,929,999	\$ 14,235,760	\$ 14,402,437	\$ 14,170,850	\$ 14,616,306
Cost of sales	7,486,241	7,484,839	7,520,659	7,475,835	7,567,581	7,564,968	7,468,765	7,808,062	7,921,988	7,911,876	7,983,480	7,838,172	7,842,896	8,051,517
<b>GROSS MARGIN</b>	<b>5,598,949</b>	<b>6,020,083</b>	<b>5,900,089</b>	<b>5,976,155</b>	<b>6,112,058</b>	<b>6,176,088</b>	<b>6,465,502</b>	<b>6,055,047</b>	<b>6,157,730</b>	<b>6,018,123</b>	<b>6,252,280</b>	<b>6,564,265</b>	<b>6,327,954</b>	<b>6,564,789</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE</b>														
Salaries and benefits	2,574,003	2,669,125	2,680,167	2,762,341	2,892,593	2,820,454	3,170,571	3,062,803	3,176,378	2,983,270	3,198,254	2,664,630	2,744,887	2,789,962
Sales and marketing	596,674	697,559	682,135	723,336	634,049	584,080	699,856	868,726	1,059,777	970,969	1,059,208	867,509	1,058,405	917,786
Occupancy	372,699	400,044	378,141	378,319	377,811	365,298	376,243	371,268	364,263	379,357	401,339	380,515	364,651	360,358
Professional fees	360,042	374,253	379,501	367,855	383,568	403,621	395,282	439,952	589,552	522,988	600,367	939,934	586,193	667,259
Travel and entertainment	54,005	28,899	36,856	24,724	35,933	29,488	36,792	37,191	34,776	25,232	39,040	79,303	55,609	47,038
General and administrative	589,503	708,261	706,850	703,335	736,274	707,684	748,273	675,947	781,716	679,703	809,482	434,687	642,012	642,876
	<b>4,546,926</b>	<b>4,878,141</b>	<b>4,863,650</b>	<b>4,959,910</b>	<b>5,060,227</b>	<b>4,910,625</b>	<b>5,427,016</b>	<b>5,455,887</b>	<b>6,006,463</b>	<b>5,561,519</b>	<b>6,107,688</b>	<b>5,366,579</b>	<b>5,451,758</b>	<b>5,425,279</b>
<b>EBITDA</b>	<b>1,052,023</b>	<b>1,141,942</b>	<b>1,036,439</b>	<b>1,016,245</b>	<b>1,051,831</b>	<b>1,265,463</b>	<b>1,038,486</b>	<b>599,160</b>	<b>151,267</b>	<b>456,604</b>	<b>144,592</b>	<b>1,197,686</b>	<b>876,196</b>	<b>1,139,510</b>
Depreciation and amortization	1,269,126	1,289,741	1,296,366	1,296,061	1,295,460	1,299,061	1,313,025	1,365,214	1,344,761	1,329,638	1,323,792	1,325,063	1,294,793	1,349,591
<b>EARNINGS BEFORE UNDERNOTED</b>	<b>(217,103)</b>	<b>(147,799)</b>	<b>(259,927)</b>	<b>(279,816)</b>	<b>(243,629)</b>	<b>(33,598)</b>	<b>(274,538)</b>	<b>(766,054)</b>	<b>(1,193,493)</b>	<b>(873,034)</b>	<b>(1,179,200)</b>	<b>(127,377)</b>	<b>(418,597)</b>	<b>(210,060)</b>
Interest expense (income), net	639,636	634,002	626,342	887,580	653,310	594,257	560,227	478,913	576,822	417,540	776,182	500,193	460,116	508,711
Other expense (income), net	119,654	(413,663)	113,827	146,895	50,393	88,568	314,360	109,938	840,990	129,606	8,467	14,393	8,634	16,936
Foreign exchange loss (gain)	8,679	25,255	(7,604)	13,871	182,103	167,860	6,195	36,882	(39,981)	27,633	(135,499)	(34,489)	(34,488)	7,476
Inter-company charges, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>767,969</b>	<b>245,594</b>	<b>732,564</b>	<b>1,048,347</b>	<b>885,807</b>	<b>850,685</b>	<b>880,782</b>	<b>625,733</b>	<b>1,377,830</b>	<b>574,779</b>	<b>649,150</b>	<b>480,096</b>	<b>434,252</b>	<b>533,123</b>
<b>EARNINGS BEFORE TAXES</b>	<b>(985,072)</b>	<b>(393,393)</b>	<b>(992,491)</b>	<b>(1,328,163)</b>	<b>(1,129,436)</b>	<b>(884,283)</b>	<b>(1,155,320)</b>	<b>(1,391,787)</b>	<b>(2,571,324)</b>	<b>(1,447,813)</b>	<b>(1,828,350)</b>	<b>(607,473)</b>	<b>(852,848)</b>	<b>(743,204)</b>
Provision for (recovery of) income taxes:	161	475	1,446	1,674	21,769	19,070	8,015	2,619	565	479	-	100,392	70	800
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(985,233)</b>	<b>(393,867)</b>	<b>(993,937)</b>	<b>(1,329,837)</b>	<b>(1,151,205)</b>	<b>(903,353)</b>	<b>(1,163,335)</b>	<b>(1,394,406)</b>	<b>(2,571,889)</b>	<b>(1,448,292)</b>	<b>(1,828,350)</b>	<b>(707,865)</b>	<b>(852,918)</b>	<b>(744,004)</b>

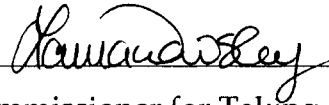
**TAB D**

**EXHIBIT "D"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016



Commissioner for Taking Affidavits

Laura Elizabeth Dowsley, a Commissioner, **etc.**,  
Province of Ontario, while a **Student-at-Law.**  
**Expires April 1, 2017.**

**FORBEARANCE AGREEMENT**

THIS FORBEARANCE AGREEMENT (this "**Agreement**") is made as of February 4, 2015.

BETWEEN:

**BANK OF MONTREAL, as administrative agent for and on behalf of the Lenders (as hereafter defined)**

(the "**Agent**")

- and -

**Each Lender Party to the Credit Agreement (as defined below)**

(the "**Lenders**")

- and -

**PRIMUS TELECOMMUNICATIONS CANADA INC.**

(the "**Borrower**")

RECITALS:

**WHEREAS** the Borrower, the Agent and the Lenders are parties to a credit agreement dated as of July 31, 2013 (including an amending agreement dated as of September 23, 2014 and any other amendments to the date hereof, the "**Credit Agreement**");

**AND WHEREAS** the Borrower has advised the Agent and the Lenders that its Compliance Certificate to be delivered for the Fiscal Quarter ended December 31, 2014 will confirm that it is not in compliance with its Total Debt to EBITDA Ratio, its Senior Debt to EBITDA Ratio and its Fixed Charge Coverage Ratio;

**AND WHEREAS** the Borrower has advised that it has not made the interest payment due to the Subordinate Lenders on January 31, 2015 as required pursuant to the Subordinate Credit Agreement;

**AND WHEREAS** notwithstanding the Existing Defaults, the Borrower has requested that the Agent and the Lenders forbear from exercising any rights and remedies available to them in respect of such Existing Defaults to provide the Borrower with an opportunity for a specified period of time to address such Existing Defaults;

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**AND WHEREAS** as an inducement to the Agent and the Lenders to obtain their agreement to accommodate the Borrower in the manner requested, the Borrower has agreed to the terms and conditions set out herein;

**AND WHEREAS** the Agent and the Lenders are prepared to forbear from exercising their rights and remedies in respect of such Existing Defaults, subject to the terms and conditions herein contained;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

**1. Definitions**

(a) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this agreement, including its recitals and attachments, as amended from time to time.

"**Existing Defaults**" means the events of default listed in Schedule A hereto.

"**Forbearance Period**" means the period commencing on the date of this Agreement and terminating on the Forbearance Termination Date.

"**Forbearance Termination Date**" means the date that is the earlier of (i) the occurrence of a Triggering Event that is declared by the Agent to have terminated the Forbearance Period pursuant to Section 8 hereof; and (ii) February 27, 2015 or such later date as the Majority Lenders agree to in writing, in their sole discretion.

"**Triggering Event**" is defined in Section 8.

(b) Terms used in this Agreement (including the recitals hereto) that are defined in the Credit Agreement and are not otherwise defined herein have the same meanings herein as in the Credit Agreement. The term "Loan Documents" includes this Agreement. The term "including" means "including without limitation".

**2. Borrower Acknowledgements**

The Borrower specifically acknowledges and agrees in favour of the Agent and the Lenders that:

(a) as a result of the Existing Defaults, the Borrower is in default under the Credit Agreement and the Agent and the Lenders are now (and following the expiration of the Forbearance Period will be) in a position to exercise their rights and remedies pursuant to the Loan Documents, including the right to terminate the Commitments and to accelerate and demand payment of the Obligations;

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- (b) the Agent and the Lenders have not yet enforced the Security held by them under the Loan Documents (and the Borrower acknowledges that the making of this Agreement by the Agent and the Lenders is not an enforcement of the Security), but the Agent and the Lenders have reserved all of their rights to take such steps as they deem advisable, including demanding payment of the Obligations upon the termination or expiry of the Forbearance Period and thereafter enforcing any and all remedies available to them hereunder, under the Security and other Loan Documents, at law and in equity;
- (c) the Lenders have no commitment or other obligation to extend further credit to the Borrower under Tranche A-1;
- (d) the Swingline Lender has no commitment or other obligation to extend further credit to the Borrower under Tranche A-2;
- (e) time continues to be of the essence in performance of the obligations set out in the Loan Documents;
- (f) each of the Existing Defaults has occurred and is continuing, has not been waived by the Agent or the Lenders, and the Agent and the Lenders have expressly reserved all of their rights and remedies under the Loan Documents and under applicable laws with respect to the Existing Defaults;
- (g) the occurrence and continuance of any Event of Default (other than the Existing Defaults) under the Credit Agreement shall constitute a Triggering Event hereunder; and
- (h) it will not assert any claim, counterclaim or other cause of action whatsoever against the Agent or any of the Lenders arising from or based on matters existing or occurring prior to the date hereof with respect to or in connection with the Obligations or the Loan Documents.

**3. Representation and Warranties**

The Borrower represents and warrants to the Agent and the Lenders that:

- (a) the execution, delivery and performance of this Agreement has been duly authorized by all actions, if any, required on its part and by its shareholders and directors;
- (b) other than any representation specific to there existing no Default or Event of Default which shall be qualified solely by the existence of the Existing Defaults, no representation or warranty of any Company contained in the Credit Agreement or any of the other Loan Documents, including this Agreement, is untrue or incorrect as of the date hereof;

- 4 -

- (c) there is no matter, fact or event which is known to the Borrower which has not been disclosed to the Agent which is likely to have a material adverse effect on the performance of the Borrower's obligations under the Credit Agreement;
- (d) the Existing Defaults are the only Defaults and Events of Default that have occurred and are continuing, and no other Default or Event of Default exists; and
- (e) it (i) understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement, (ii) has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and the documents executed in connection herewith, with such attorneys and other persons and advisors as the Borrower may wish, and (iii) has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person.

**4. Forbearance Milestones**

The Borrower covenants and agrees with the Agent and the Lenders that it will deliver to the Agent each of the following in accordance with the timing set forth below (each a "**Forbearance Milestone**" and collectively the "**Forbearance Milestones**"):

- (a) by 5:00 pm (Toronto time) February 17, 2015, a revised Annual Business Plan for Fiscal Year 2015 which shall include, *inter alia*, monthly forecasts until no less than July 31, 2017, an income statement, balance sheet and cash flow statement, details of profitability of each line of business and a written summary outlining assumptions;
- (b) by no later than 5:00 pm (Toronto time) February 17, 2015, the Compliance Certificate and financial statements for the Fiscal Quarter ended December 31, 2014, which shall include a written commentary on material differences between actual, prior year and what was forecasted;
- (c) by no later than 9:00 am (Toronto time) February 23, 2015, unaudited financial statements of the Borrower for the month of January 2015;
- (d) by no later than 5:00 pm (Toronto time) February 20, 2015, a breakdown of sales by line of business for the month of January 2015, in form satisfactory to the Agent; and
- (e) such other items required to be delivered pursuant to the Credit Agreement when due.

- 5 -

**5. Financial and Other Matters**

(a) Notwithstanding anything contained in the Credit Agreement to the contrary, the Borrower (i) shall not and shall ensure that each Company shall not, following the date hereof, provide any Financial Assistance to any Person which is not a Company; and (ii) shall not make any Distributions (including, for certainty, the payment of any management fees or director's fees).

(b) The Borrower shall not be entitled to obtain Advances pursuant to Tranche A-1 without first obtaining the prior written consent of all Lenders. Notwithstanding the foregoing, Advances for the purpose of repayment of Advances as contemplated by Section 2.10(f) shall be permitted.

(c) Subject to the right of the Swingline Lender in its sole discretion to prohibit further Advances and notwithstanding anything contained in the Credit Agreement to the contrary, the Borrower shall be permitted to obtain Advances pursuant to Tranche A-2 in an aggregate amount not to exceed \$1,000,000.

(d) The Borrower acknowledges and agrees that the Agent is entitled as of the date hereof as a consequence of the Existing Defaults to charge an additional 2% interest in accordance with Section 9.02 of the Credit Agreement and, upon written notice being provided to the Borrower, such increase shall become effective.

**6. Forbearance**

The Agent and the Lenders agree that, until the expiry or termination of the Forbearance Period, they will forbear from exercising their rights and remedies under the Loan Documents including their right as against the Companies to accelerate and demand payment of the Obligations as a result of the Existing Defaults. Upon the expiry or termination of the Forbearance Period, the foregoing agreement to forbear will automatically be terminated. For greater certainty, notwithstanding the foregoing agreement to forbear (a) the Existing Defaults will continue to operate as Events of Default for all other purposes of the Credit Agreement, (b) the Agent and the Lenders reserve all of their rights and remedies with respect to any other Default or Event of Default now or at any time hereafter existing, and (c) the Agent and the Lenders have not waived the Existing Defaults, but have reserved their right to accelerate and demand payment of the Obligations as a result of the Existing Defaults upon the termination or expiry of the Forbearance Period. Except as expressly provided herein, the execution and delivery of this Agreement shall not: (i) constitute an extension, modification, or waiver of any term or aspect of the Credit Agreement or the other Loan Documents; (ii) extend the terms of the Credit Agreement or the due date of any of the Obligations; (iii) give rise to any obligation on the part of the Agent or the Lenders to extend, modify or waive any term or condition of the Credit Agreement or any of the other Loan Documents; or (iv) give rise to any defences or counterclaims to the right of the Agent or the Lenders to compel payment of the Obligations or to otherwise enforce their rights and remedies under the Credit Agreement and the other Loan Documents. Except as expressly limited herein, the Agent and the Lenders hereby expressly



- 6 -

reserve all of their rights and remedies under the Loan Documents and under applicable law with respect to the Existing Defaults.

**7. Conditions Precedent to Effectiveness of Agreement**

This Agreement will not be effective as against the Agent and the Lenders unless and until each of the following conditions has been satisfied in the Agent's sole and absolute discretion:

- (a) the Agent has received counterparts of this Agreement fully executed by the Borrower;
- (b) the Agent shall have received an acknowledgement and confirmation from the Guarantors as to the terms contained herein;
- (c) there exists no Default or Event of Default other than the Existing Defaults; and
- (d) the Agent shall have received a copy of the forbearance agreement from the Subordinate Lenders to the Borrower, which agreement shall be in form and substance satisfactory to the Agent (the "**Subordinate Forbearance Agreement**").

**8. Triggering Events**

In addition to any other rights or remedies of the Agent and the Lenders pursuant hereto and pursuant to the other Loan Documents, if any one or more of the following events has occurred (each, a "**Triggering Event**"), the Agent may, and upon the instructions of the Majority Lenders the Agent will, declare by written notice to the Borrower that the Forbearance Period has terminated, such termination to be effective as of the time specified in such notice:

- (a) the Borrower defaults in the payment of any amount due and payable to the Agent or the Lenders pursuant to this Agreement or any other Loan Document;
- (b) any of the representations or warranties made or deemed to have been made by a Company in this Agreement proves to be incorrect as of the date given;
- (c) any Company after the date hereof fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in this Agreement, including without limitation Section 5 hereof;
- (d) an "Event of Default" occurs under the Subordinate Credit Agreement other than these events of default existing as at the date hereof and identified in the Subordinate Forbearance Agreement;
- (e) an "Event of Default" occurs under the Credit Agreement, other than, for greater certainty, the Existing Defaults; and

- 7 -

- (f) the Borrower fails to deliver to the Agent any of the Forbearance Milestones set out in Section 4 as at such date required to be delivered.

**9. Remedies**

Upon the termination or expiry of the Forbearance Period, the Borrower covenants and agrees with the Agent and the Lenders that the Agent, upon instruction of the Required Lenders, may, in addition to any of the other remedies available to it under the Credit Agreement, declare any or all of the Obligations not already due and payable to be due and payable immediately and may demand payment of all such Obligations.

**10. Agent's and Lenders' Fees and Expenses**

The Borrower will pay on demand all reasonable third party costs, expenses and fees incurred by the Agent and the Lenders in connection with this Agreement or any other Loan Document, including all legal fees and expenses of Lenders' counsel in connection with this Agreement.

**11. Subordinate Forbearance Agreement**

The Borrower covenants that it will not amend the Subordinate Forbearance Agreement unless the Agent has provided its prior consent. The Borrower covenants that it will not make any cash payment (whether principal, interest, fees or otherwise) to the Subordinate Lenders during the Forbearance Period. Notwithstanding the foregoing, the Borrower shall be permitted to make payments to the Subordinate Lenders as provided for in and subject to Section 3.3(b) of the Intercreditor Agreement.

**12. Permanent Reduction of Tranche A-1 and Tranche A-2 Commitments**

The Borrower hereby acknowledges and agrees that effective as of the date of this Agreement, Facility A shall be reduced from \$10,000,000 to \$5,000,000, the Tranche A-1 Limit shall be reduced to \$4,000,000 and the Swingline Limit shall be reduced to \$1,000,000. The Credit Agreement shall be deemed to be amended without the need of any further action or documentation to reflect such reduction in Commitments. Attached to this Agreement as Exhibit A is the revised Exhibit A to the Credit Agreement which shall be deemed to replace Exhibit A to the Credit Agreement without the need of any further action or documentation.

**13. Communications Among Lenders**

The Borrower hereby acknowledges and consents to communications from time to time between the Senior Creditors and Subordinate Creditors and the sharing of information as determined advisable by each such Creditor in its discretion.

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**14. Acknowledgement**

The Borrower acknowledges and confirms that, subject to Section 6, the Credit Agreement and the Security: (i) have not been released, discharged, waived or varied; (ii) are binding upon the Borrower; (iii) remain in full force and effect unamended; and (iv) are valid and enforceable against the Borrower in accordance with their written terms. The Borrower further acknowledges that the Security shall continue to secure the Obligations.

**15. Further Assurances**

For certainty, nothing contained herein shall be construed as a consent or waiver of any of the provisions of the Credit Agreement beyond that expressly stipulated in Section 6 hereof.

**16. Release**

The Borrower hereby releases and forever discharges the Agent, the Lenders and their respective employees, officers, directors, agents and advisors and their respective employees, officers, directors, agents and advisors and their representatives and successors from any and all claims, demands, suits, actions of whatsoever nature or kind which the Borrower has at today's date or arising from the execution and delivery of this Agreement.

**17. Indemnity**

The Borrower hereby agrees to indemnify and hold harmless the Agent and the Lenders and their respective officers, directors, employees, agents, attorneys in fact and affiliates (each, an "**Indemnitee**") from and against any and all claims and losses of any kind or nature whatsoever (but excluding consequential damages and damages for loss of profit) to which any Indemnitee becomes subject arising out of or relating to this Agreement, and to reimburse each such Indemnitee upon demand for any loss for legal or other expenses incurred by or on behalf of such Indemnitee in connection with defending any claim; provided that the foregoing indemnity will not as to any Indemnitee apply to any loss or claim or related expenses that a final non-appealable judgment of a court of competent jurisdiction has determined resulted from the gross negligence or wilful misconduct of such Indemnitee.

**18. Amendments and Waivers**

(a) Subject to Section 18(b), any term, covenant or condition of this Agreement may only be amended by agreement between the Borrower and the Agent, and compliance therewith by the Borrower may only be waived (either generally or in a particular instance and either retroactively or prospectively) by the Agent.

(b) No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and, unless otherwise provided, will be limited to the specific breach waived.

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**19. General**

(a) This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

(b) Time is of the essence of this Agreement.

(c) For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The parties each hereby attorn to the jurisdiction of the courts of the Province of Ontario.

(d) No failure on the part of the Agent or the Lenders to exercise, and no delay in exercising, any right hereunder will operate as a waiver thereof. The rights and remedies of the parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

(e) The Borrower will, from time to time at its expense, execute and deliver all such further documents and instruments and do all acts and things as the Agent may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and the full intent and meaning of the Security.

(f) This Agreement may be executed in any number of counterparts (whether by facsimile, pdf or original), each of which, will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same instrument.

**[SIGNATURE PAGES FOLLOW]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by \_\_\_\_\_

Name:  
Title:

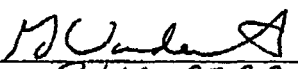
\_\_\_\_\_  
Name:

Title:

IN WITNESS WHEREOF, the parties have executed this Agreement.


**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by   
Name: M Nowlan  
Title: CEO

  
Name: G. VANDERPOST  
Title: VP Finance

**BANK OF MONTREAL, as Lender**

by

  
Name: GRACE LAM  
Title: DIRECTOR

  
Name: Kerry O'Neill  
Title: Managing Director

**HSBC BANK CANADA, as Lender**

by

Name:  
Title:

Name:  
Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by

Name:  
Title:

Name:  
Title:

**BANK OF MONTREAL, as Agent**

by J MacDonal  
Name: Jeanette MacDonald  
Title: Director

Name:  
Title:



**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**HSBC BANK, CANADA, as Lender**

by  \_\_\_\_\_  
Name: **Dino Fragassi**  
Title: **Assistant Vice President  
Commercial Banking**

\_\_\_\_\_  
Name:  
Title: **Amr Guendia  
Director-Private Equity Sponsor Coverage  
#58723**

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name:

Title:

**HSBC BANK CANADA, as Lender**

by \_\_\_\_\_

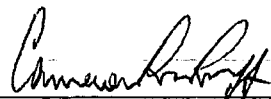
Name:

Title:

\_\_\_\_\_  
Name:

Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by  \_\_\_\_\_

Name: CAMERON R. W. RUFF

Title: SENIOR DIRECTOR

 \_\_\_\_\_

Name:

Title: Cui Zukowski  
ASSOCIATE DIRECTOR, COMMERCIAL

**SCHEDULE A**

**EXISTING DEFAULTS**

1. Section 9.01(f) of the Credit Agreement due to the failure by the Borrower to pay interest on the Subordinated Debt when due on January 31, 2015.
2. Failure to comply with Section 6.03(a)(i) of the Credit Agreement, being the Total Debt to EBITDA Ratio.
3. Failure to comply with Section 6.03(a)(ii) of the Credit Agreement, being the Senior Debt to EBITDA Ratio.
4. Failure to comply with Section 6.03(a)(iii) of the Credit Agreement, being the Fixed Charge Coverage Ratio.

**EXHIBIT A****LENDERS AND LENDERS' COMMITMENTS**

<b>Lender</b>	<b>Facility A Commitments</b>	<b>Facility B Commitments</b>	<b>Total</b>
Bank of Montreal	\$2,000,000 (including \$1,000,000 Swingline*)	\$16,180,000	\$18,180,000
HSBC Bank Canada	\$1,500,000	\$12,135,000	\$13,635,000
Alberta Treasury Branches	\$1,500,000	\$12,135,000	\$13,635,000
<b>Total</b>	<b>\$5,000,000</b>	<b>\$40,450,000</b>	<b>\$45,450,000</b>

\*Swingline provided by BMO as Swingline Lender.

Address for each Lender:

Bank of Montreal Corporate Finance 11th Floor, First Canadian Place Toronto, Ontario M5X 1A1  Attention: Director Facsimile: (416) 360-7168	HSBC Bank Canada 70 York Street Toronto, Ontario M5J 1S9  Attention: Assistant Vice President Facsimile: (416) 868-3802
Alberta Treasury Branches 600 – 444 7th Avenue SW Calgary, Alberta T2P 0X8  Attention: Director Facsimile: (403) 974-5191	

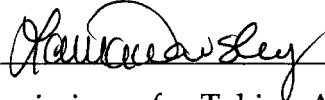
# TAB E

**EXHIBIT "E"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016



\_\_\_\_\_  
Commissioner for Taking Affidavits

Laura Elizabeth Dowsley, a Commissioner, *etc.*,  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017. J

**FORBEARANCE AGREEMENT**

THIS FORBEARANCE AGREEMENT (this "**Agreement**") is made as of February 4, 2015.

BETWEEN:

**THE MANUFACTURERS LIFE INSURANCE  
COMPANY, as Collateral Agent**

(the "**Agent**")

- and -

**Each Lender Party to the Credit Agreement  
(as defined below)**

(the "**Lenders**")

- and -

**PRIMUS TELECOMMUNICATIONS  
CANADA INC.**

(the "**Borrower**")

RECITALS:

**WHEREAS** the Borrower, the Agent and the Lenders are parties to a subordinate credit agreement dated as of July 31, 2013 (including an amending agreement dated as of September 23, 2014 and any other amendments to the date hereof, the "**Credit Agreement**");

**AND WHEREAS** the Borrower has advised the Agent and the Lenders that its Compliance Certificate to be delivered for the Fiscal Quarter ended December 31, 2014 will confirm that it is not in compliance with its Total Funded Debt to EBITDA Ratio, its Senior Funded Debt to EBITDA Ratio and its Fixed Charge Coverage Ratio;

**AND WHEREAS** the Borrower has not made the interest payment due to the Lenders on January 31, 2015 as required pursuant to the Subordinate Credit Agreement;

**AND WHEREAS** the Agent has issued a Standstill Notice (as defined in the Intercreditor Agreement) to the Senior Agent and Senior Lenders with respect to the Existing Defaults (as hereinafter defined);

**AND WHEREAS** notwithstanding the Existing Defaults, the Borrower has requested that the Agent and the Lenders forbear from exercising any rights and remedies available to them in respect of such Existing Defaults to provide the Borrower with an opportunity for a specified period of time to address such Existing Defaults;

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**AND WHEREAS** as an inducement to the Agent and the Lenders to obtain their agreement to accommodate the Borrower in the manner requested, the Borrower has agreed to the terms and conditions set out herein;

**AND WHEREAS** the Agent and the Lenders are prepared to forbear from exercising their rights and remedies in respect of such Existing Defaults, subject to the terms and conditions herein contained;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

**1. Definitions**

(a) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

**"Agreement"** means this agreement, including its recitals and attachments, as amended from time to time.

**"Existing Defaults"** means the events of default listed in Schedule A hereto.

**"Forbearance Period"** means the period commencing on the date of this Agreement and terminating on the Forbearance Termination Date.

**"Forbearance Termination Date"** means the date that is the earlier of (i) the occurrence of a Triggering Event that is declared by the Agent to have terminated the Forbearance Period pursuant to Section 8 hereof; and (ii) March 2, 2015 or such later date as the Majority Lenders agree to in writing, in their sole discretion.

**"Triggering Event"** is defined in Section 8.

(b) Terms used in this Agreement (including the recitals hereto) that are defined in the Credit Agreement and are not otherwise defined herein have the same meanings herein as in the Credit Agreement. The term "Loan Documents" includes this Agreement. The term "including" means "including without limitation".

**2. Borrower Acknowledgements**

The Borrower specifically acknowledges and agrees in favour of the Agent and the Lenders that:

(a) as a result of the Existing Defaults, the Borrower is in default under the Credit Agreement and, subject to the provisions of the Intercreditor Agreement, the Agent and the Lenders are now (and following the expiration of the Forbearance Period will be) in a position to exercise their rights and remedies pursuant to the



- 3 -

Loan Documents, including the right to accelerate and demand payment of the Obligations;

- (b) the Agent and the Lenders have not yet enforced the Security held by them under the Loan Documents (and the Borrower acknowledges that the making of this Agreement by the Agent and the Lenders is not an enforcement of the Security), but, subject to the provisions of the Intercreditor Agreement, the Agent and the Lenders have reserved all of their rights to take such steps as they deem advisable, including demanding payment of the Obligations upon the termination or expiry of the Forbearance Period and thereafter enforcing any and all remedies available to them hereunder, under the Security and other Loan Documents, at law and in equity;
- (c) the Senior Lenders have no commitment or other obligation to extend further credit to the Borrower under Tranche A-1 under the Senior Credit Agreement;
- (d) the Swingline Lender under the Senior Credit Agreement has no commitment or other obligation to extend further credit to the Borrower under Tranche A-2;
- (e) the Senior Lenders and the Swingline Lender under the Senior Credit Agreement have permanently reduced Facility A from \$10,000,000 to \$5,000,000, the Tranche A-1 Limit to \$4,000,000 and the Swingline Limit to \$1,000,000.
- (f) time continues to be of the essence in performance of the obligations set out in the Loan Documents;
- (g) the Standstill Period (as defined under the Intercreditor Agreement) has commenced and is not extended by the Forbearance Period;
- (h) each of the Existing Defaults has occurred and is continuing, has not been waived by the Agent or the Lenders, and the Agent and the Lenders have expressly reserved all of their rights and remedies under the Loan Documents and under applicable laws with respect to the Existing Defaults;
- (i) the occurrence and continuance of any Event of Default (other than the Existing Defaults) under the Credit Agreement shall constitute a Triggering Event hereunder; and
- (j) it will not assert any claim, counterclaim or other cause of action whatsoever against the Agent or any of the Lenders arising from or based on matters existing or occurring prior to the date hereof with respect to or in connection with the Obligations or the Loan Documents.

3. **Representation and Warranties**

The Borrower represents and warrants to the Agent and the Lenders that:

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- (a) the execution, delivery and performance of this Agreement has been duly authorized by all actions, if any, required on its part and by its shareholders and directors;
- (b) other than any representation specific to there existing no Default or Event of Default which shall be qualified solely by the existence of the Existing Defaults, no representation or warranty of any Company contained in the Credit Agreement or any of the other Loan Documents, including this Agreement, is untrue or incorrect as of the date hereof;
- (c) there is no matter, fact or event which is known to the Borrower which has not been disclosed to the Agent which is likely to have a material adverse effect on the performance of the Borrower's obligations under the Credit Agreement;
- (d) the Existing Defaults are the only Defaults and Events of Default that have occurred and are continuing, and no other Default or Event of Default exists; and
- (e) it (i) understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement, (ii) has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and the documents executed in connection herewith, with such attorneys and other persons and advisors as the Borrower may wish, and (iii) has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person.

**4. Forbearance Milestones**

The Borrower covenants and agrees with the Agent and the Lenders that it will deliver to the Agent each of the following in accordance with the timing set forth below (each a "**Forbearance Milestone**" and collectively the "**Forbearance Milestones**"):

- (a) by 5:00 pm (Toronto time) February 18, 2015, a revised Annual Business Plan for Fiscal Year 2015 which shall include, *inter alia*, monthly forecasts until no less than July 31, 2017, an income statement, balance sheet and cash flow statement, details of profitability of each line of business and a written summary outlining assumptions;
- (b) by no later than 5:00 pm (Toronto time) February 18, 2015, the Compliance Certificate and financial statements for the Fiscal Quarter ended December 31, 2014, which shall include a written commentary on material differences between actual, prior year and what was forecasted;
- (c) by no later than 9:00 am (Toronto time) February 24, 2015, unaudited financial statements of the Borrower for the month of January 2015;

- 5 -

- (d) by no later than 5:00 pm (Toronto time) February 23, 2015, a breakdown of sales by line of business for the month of January 2015, in form satisfactory to the Agent; and
- (e) such other items required to be delivered pursuant to the Credit Agreement when due.

**5. Financial and Other Matters**

(a) Notwithstanding anything contained in the Credit Agreement to the contrary, the Borrower (i) shall not and shall ensure that each Company shall not, following the date hereof, provide any Financial Assistance to any Person which is not a Company; and (ii) shall not make any Distributions (including, for certainty, the payment of any management fees or director's fees).

(b) The Borrower acknowledges and agrees that the Agent is entitled as of the date hereof as a consequence of the Existing Defaults to charge an additional 2% interest in accordance with Section 9.02 of the Credit Agreement and, upon written notice being provided to the Borrower, such increase shall become effective.

**6. Forbearance**

The Agent and the Lenders agree that, until the expiry or termination of the Forbearance Period, they will forbear from exercising their rights and remedies under the Loan Documents including their right as against the Companies to accelerate and demand payment of the Obligations as a result of the Existing Defaults. Upon the expiry or termination of the Forbearance Period, the foregoing agreement to forbear will automatically be terminated. For greater certainty, notwithstanding the foregoing agreement to forbear (a) the Existing Defaults will continue to operate as Events of Default for all other purposes of the Credit Agreement, (b) the Agent and the Lenders reserve all of their rights and remedies with respect to any other Default or Event of Default now or at any time hereafter existing, and (c) the Agent and the Lenders have not waived the Existing Defaults, but have reserved their right to accelerate and demand payment of the Obligations as a result of the Existing Defaults upon the termination or expiry of the Forbearance Period. Except as expressly provided herein, the execution and delivery of this Agreement shall not: (i) constitute an extension, modification, or waiver of any term or aspect of the Credit Agreement or the other Loan Documents; (ii) extend the terms of the Credit Agreement or the due date of any of the Obligations; (iii) give rise to any obligation on the part of the Agent or the Lenders to extend, modify or waive any term or condition of the Credit Agreement or any of the other Loan Documents; or (iv) give rise to any defences or counterclaims to the right of the Agent or the Lenders to compel payment of the Obligations or to otherwise enforce their rights and remedies under the Credit Agreement and the other Loan Documents. Except as expressly limited herein, the Agent and the Lenders hereby expressly reserve all of their rights and remedies under the Loan Documents and under applicable law with respect to the Existing Defaults.

- 6 -

7. **Conditions Precedent to Effectiveness of Agreement**

This Agreement will not be effective as against the Agent and the Lenders unless and until each of the following conditions has been satisfied in the Agent's sole and absolute discretion:

- (a) the Agent has received counterparts of this Agreement fully executed by the Borrower;
- (b) the Agent shall have received an acknowledgement and confirmation from the Guarantors as to the terms contained herein;
- (c) there exists no Default or Event of Default other than the Existing Defaults; and
- (d) the Agent shall have received a copy of the forbearance agreement from the Senior Lenders to the Borrower, which agreement shall be in form and substance satisfactory to the Agent (the "**Senior Forbearance Agreement**").

8. **Triggering Events**

In addition to any other rights or remedies of the Agent and the Lenders pursuant hereto and pursuant to the other Loan Documents, if any one or more of the following events has occurred (each, a "**Triggering Event**") and if, in accordance with Section 8 of the Senior Forbearance Agreement the Senior Agent has declared in writing that the Forbearance Period has terminated, the Agent may, and upon the instructions of the Majority Lenders the Agent will, declare by written notice to the Borrower that the Forbearance Period has terminated, such termination to be effective as of the time specified in such notice:

- (a) the Borrower defaults in the payment of any amount due and payable to the Agent or the Lenders pursuant to this Agreement or any other Loan Document;
- (b) any of the representations or warranties made or deemed to have been made by a Company in this Agreement proves to be incorrect as of the date given;
- (c) any Company after the date hereof fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in this Agreement, including without limitation Section 5 hereof;
- (d) an "Event of Default" occurs under the Senior Credit Agreement other than these events of default existing as at the date hereof and identified as "Existing Defaults" in the Senior Forbearance Agreement;
- (e) an "Event of Default" occurs under the Credit Agreement, other than, for greater certainty, the Existing Defaults; and

- 7 -

- (f) the Borrower fails to deliver to the Agent any of the Forbearance Milestones set out in Section 4 as at such date required to be delivered.

**9. Remedies**

Upon the termination or expiry of the Forbearance Period, the Borrower covenants and agrees with the Agent and the Lenders that the Agent, upon instruction of the Required Lenders, may, subject to the provisions of the Intercreditor Agreement and in addition to any of the other remedies available to it under the Credit Agreement, declare any or all of the Obligations not already due and payable to be due and payable immediately and may demand payment of all such Obligations.

**10. Agent's and Lenders' Fees and Expenses**

The Borrower will pay on demand all reasonable third party costs, expenses and fees incurred by the Agent and the Lenders in connection with this Agreement or any other Loan Document, including all legal fees and expenses of Lenders' counsel in connection with this Agreement.

**11. Senior Forbearance Agreement**

The Borrower covenants that it will not amend the Senior Forbearance Agreement unless the Agent has provided its prior consent.

**12. Acknowledgement**

The Borrower acknowledges and confirms that, subject to Section 6, the Credit Agreement and the Security: (i) have not been released, discharged, waived or varied; (ii) are binding upon the Borrower; (iii) remain in full force and effect unamended; and (iv) are valid and enforceable against the Borrower in accordance with their written terms. The Borrower further acknowledges that the Security shall continue to secure the Obligations.

**13. Further Assurances**

For certainty, nothing contained herein shall be construed as a consent or waiver of any of the provisions of the Credit Agreement beyond that expressly stipulated in Section 6 hereof.

**14. Release**

The Borrower hereby releases and forever discharges the Agent, the Lenders and their respective employees, officers, directors, agents and advisors and their respective employees, officers, directors, agents and advisors and their representatives and successors from any and all claims, demands, suits, actions of whatsoever nature or kind which the Borrower has at today's date or arising from the execution and delivery of this Agreement.

- 8 -

**15. Indemnity**

The Borrower hereby agrees to indemnify and hold harmless the Agent and the Lenders and their respective officers, directors, employees, agents, attorneys in fact and affiliates (each, an "**Indemnitee**") from and against any and all claims and losses of any kind or nature whatsoever (but excluding consequential damages and damages for loss of profit) to which any Indemnitee becomes subject arising out of or relating to this Agreement, and to reimburse each such Indemnitee upon demand for any loss for legal or other expenses incurred by or on behalf of such Indemnitee in connection with defending any claim; provided that the foregoing indemnity will not as to any Indemnitee apply to any loss or claim or related expenses that a final non-appealable judgment of a court of competent jurisdiction has determined resulted from the gross negligence or wilful misconduct of such Indemnitee.

**16. Amendments and Waivers**

(a) Subject to Section 16(b), any term, covenant or condition of this Agreement may only be amended by agreement between the Borrower and the Agent, and compliance therewith by the Borrower may only be waived (either generally or in a particular instance and either retroactively or prospectively) by the Agent.

(b) No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and, unless otherwise provided, will be limited to the specific breach waived.

**17. General**

(a) This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

(b) Time is of the essence of this Agreement.

(c) For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The parties each hereby attorn to the jurisdiction of the courts of the Province of Ontario.

(d) No failure on the part of the Agent or the Lenders to exercise, and no delay in exercising, any right hereunder will operate as a waiver thereof. The rights and remedies of the parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

(e) The Borrower will, from time to time at its expense, execute and deliver all such further documents and instruments and do all acts and things as the Agent may reasonably

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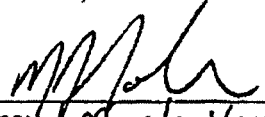
require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and the full intent and meaning of the Security.

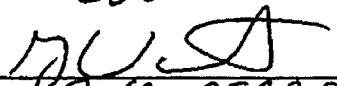
(f) This Agreement may be executed in any number of counterparts (whether by facsimile, pdf or original), each of which, will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same instrument.

**[SIGNATURE PAGES FOLLOW]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement.

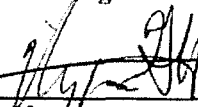
**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by   
Name: M. Nowlan  
Title: CEO

  
Name: G. VAN DER POST  
Title: VP Finance

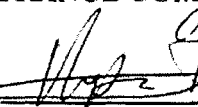


**THE MANUFACTURERS LIFE  
INSURANCE COMPANY, as  
Collateral Agent**

by   
\_\_\_\_\_  
Name:  
Title:


\_\_\_\_\_


**THE MANUFACTURERS LIFE  
INSURANCE COMPANY, as Lender**

by   
\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL d.b.a. BMO  
Capital Partners, as Lender**

by   
Name: **Umair Mansoor**  
Title: **Director**

  
Name: \_\_\_\_\_  
Title: **Alex Baniczky  
Vice President  
BMO Capital Partners**

**SCHEDULE A**

**EXISTING DEFAULTS**

1. Section 9.01(b) of the Credit Agreement due to the failure by the Borrower to pay interest on the Obligations when due on January 31, 2015.
2. Failure to comply with Section 6.03(a)(i) of the Credit Agreement, being the Total Debt to EBITDA Ratio.
3. Failure to comply with Section 6.03(a)(ii) of the Credit Agreement, being the Senior Debt to EBITDA Ratio.
4. Failure to comply with Section 6.03(a)(iii) of the Credit Agreement, being the Fixed Charge Coverage Ratio.

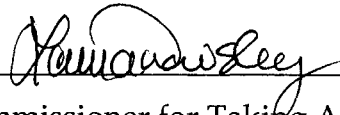
**TAB F**

**EXHIBIT "F"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016



Commissioner for Taking Affidavits

**Laura Elizabeth Dowsley, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017.**

**SUPPORT AGREEMENT**

THIS SUPPORT AGREEMENT (this "**Agreement**") is made as of August 31, 2015.

BETWEEN:

**BANK OF MONTREAL, as administrative agent for and on behalf of the Lenders (as hereafter defined),**

(the "**Agent**")

- and -

**Each Lender Party to the Credit Agreement (as defined below),**

(the "**Lenders**")

- and -

**PRIMUS TELECOMMUNICATIONS CANADA INC.,**

(the "**Borrower**")

- and -

**PT HOLDCO, INC.,**

(the "**Guarantor**")

- and -

**PTUS, INC.,**

(the "**Guarantor**")

- and -

**PRIMUS TELECOMMUNICATIONS, INC.,**

(the "**Guarantor**")

- and -

- 2 -

**LINGO, INC.,**  
(the "**Guarantor**")

- and -

**PT HOLDCO, INC.,**  
(the "**Guarantor**").

RECITALS:

**WHEREAS** the Borrower, the Agent, the Lenders and the Guarantors are parties to a credit agreement dated as of July 31, 2013 (including an amending agreement dated as of September 23, 2014 and any other amendments to the date hereof, the "**Credit Agreement**");

**AND WHEREAS** the Borrower is not in compliance with its Total Debt to EBITDA Ratio, its Senior Debt to EBITDA Ratio and its Fixed Charge Coverage Ratio;

**AND WHEREAS** the Borrower has advised that it has not made the monthly interest payments due to the Subordinate Lenders since December 31, 2014 as required pursuant to the Subordinate Credit Agreement;

**AND WHEREAS** the Borrower did not make the principal payment due to the Lenders on June 30, 2015 as required pursuant to the Credit Agreement;

**AND WHEREAS** the Borrower has agreed to pursue a sale and investor solicitation process on a going concern basis as the most viable means of maximizing value for its stakeholders;

**AND WHEREAS** the Lenders are supportive of the Borrower pursuing such a sale and investor solicitation process;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

**1. Definitions**

(a) Terms used in this Agreement (including the recitals hereto) that are defined in the Credit Agreement and are not otherwise defined herein have the same meanings herein as in the Credit Agreement. The term "Loan Documents" includes this Agreement. The term "including" means "including without limitation".

**2. Borrower Covenants**

- 3 -

*Sale and Investor Solicitation Process*

- (a) The Borrower shall initiate the sale and investment solicitation process (the "SISP") attached as Schedule "A" as soon as practicable and in any event no later than September 1, 2015;
- (b) The Borrower shall provide the Agent and KSV Advisory Inc. in its capacity as consultant appointed pursuant to Section 9.09 of the Credit Agreement (the "**Consultant**"), with a copy of any and all Phase 1 Bids and Bids (as defined in the SISP) upon any such Phase 1 Bid or Bid being received by the Borrower;
- (c) The Borrower shall consult with the Agent and Consultant prior to:
  - (i) selecting any Qualified Bidders as the Successful or Selected Bidders (as those terms are defined in the SISP);
  - (ii) determining to pursue an Auction (as defined in the SISP); and
  - (iii) accepting any Qualified Bid as a Successful Bid (as those terms are defined in the SISP) and, in that regard, shall provide the Agent and the Consultant with five (5) business days' notice prior to such acceptance together with a copy of the corresponding Qualified Bid;
- (d) The Borrower shall not amend the SISP or SISP Procedures (as defined in the SISP) without the prior written consent of the Agent, acting reasonably, except that the Borrower may make minor procedural amendments to the SISP or the SISP Procedures that do not impact the Milestones;
- (e) The Borrower shall not terminate the SISP Procedures (as defined in the SISP) without the prior written consent of the Agent, acting reasonably;
- (f) The Agent shall be entitled to attend any Auction (as defined in the SISP);
- (g) The Borrower shall not adopt any rules for the Auction (as defined in the SISP) or otherwise change or revoke such rules without the prior consent of the Agent, acting reasonably, except that the Borrower may make minor procedural amendments to the rules for the Auction;
- (h) The Borrower shall engage an investment banker no later than August 15, 2015 to implement the SISP and shall continue to retain the investment banker during the term of the SISP subject to the terms of the investment banker engagement letter. The terms of the engagement letter of the investment banker shall be acceptable to the Agent, acting reasonably, and the investment banker's engagement shall not be terminated without the consent of the Agent, acting reasonably;



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- (i) The Agent and Consultant shall be entitled to communicate with the Sales Agent (as defined in the SISP) as they feel necessary and receive regular updates provided such communications include the Borrower;
- (j) The Borrower shall use its reasonable best efforts (including taking all reasonable actions necessary to obtain any regulatory approvals) to achieve the timeline and milestones set out in the SISP (which timeline and milestones may be extended by the Borrower at any time with the consent of the Agent, acting reasonably);
- (k) In the event that any transaction resulting from the SISP (a "**Transaction**") is required to be implemented by way of a court proceeding, the Borrower shall provide draft copies of all motions or applications and other documents the Borrower intends to file with the court to Davies Ward Phillips & Vineberg LLP at least seven (7) business days prior to the date when the Borrower intends to file such document (or as soon as possible where it is not reasonably practicable to provide copies seven (7) business days in advance), all such filings to be filed in form and substance acceptable to the Agent, acting reasonably;
- (l) The Borrower shall provide the Consultant with full access to the books and records of the Borrower and its subsidiaries on reasonable notice and during normal business hours and cause Borrower's management to fully cooperate with all reasonable requests for information by the Consultant, provided that such access shall not interfere with the normal operation of the business;
- (m) The Borrower and investment banker shall provide to the Consultant an oral or brief written weekly status update regarding its operations and matters pertaining to the SISP;

*Ongoing Operation of Business*

- (n) The Borrower shall operate its business in the ordinary course of business and shall make best efforts to operate its business in accordance with the Thirteen Week Cash Flow (defined below), having regard to the Borrower's financial condition, and the Borrower shall not, other than as contemplated in this Agreement, enter into any Material Contract unless it has provided five (5) business days' notice of same to the Agent and has not received an objection to same;
- (o) With respect to Material Contracts, the Borrower shall not, unless it has provided five (5) business days' notice of same to the Agent and has not received an objection to same, materially amend, materially modify, replace, terminate, repudiate, disclaim, waive any material right under, or take any other material steps or actions (other than as expressly required by such Material Contracts or in the ordinary course of performing its obligations under such Material Contracts) under or in respect of such Material Contracts in any manner;

- 5 -

- (p) The Borrower shall not materially increase compensation or severance entitlements or other benefits payable to directors, officers or employees, including by way of a key employee incentive plan, or pay any bonuses whatsoever, other than in the ordinary course of business and consistent with past practice or as required by law, except for the key employee retention agreements in the form set out in Schedule "B" (the "**KERP**") and provided that payments under the KERP shall not exceed (i) \$800,000 on a cumulative basis in respect of the Guaranteed Amount, Success Amount and Discretionary Amount (each as defined in the KERP), and (ii) \$250,000 on a cumulative basis in respect of the Bonus Amount (as defined in the KERP), which Bonus Amount is payable if a Transaction results in full and final payment of all amounts, including interest, principal and costs, due and owing under the Credit Agreement, and which KERP amounts are hereby consented to by the Agent for and on behalf of itself and the Lenders, or otherwise agreed to by the Agent and which can be increased with the consent of the Agent;
- (q) The Borrower shall comply with all terms and provisions of the Credit Agreement other than the requirement to make any further payments of principal although such amounts will continue to accrue and form part of the Obligations under the Credit Agreement;
- (r) Notwithstanding anything contained in the Credit Agreement to the contrary, the Borrower (i) shall not and shall ensure that each Company shall not, following the date hereof, provide any Financial Assistance to any Person which is not a Company; and (ii) shall not make any Distributions other than to another Company in the ordinary course and any payment of any fees to directors;
- (s) The Borrower shall not incur or commit to incur any capital expenditures other than as contemplated in the Thirteen Week Cash Flow unless it has provided five (5) business days' notice of same to the Agent and has not received any objection to same, other than a capital expenditure required to end an interruption or avoid an imminent interruption in the Borrower's business;
- (t) The Borrower shall not waive, release, assign, settle or compromise any claims or liabilities out of the ordinary course of business;
- (u) The Borrower shall promptly notify the Agent of any resignation of, or leave of absence taken by, any of its directors or senior officers;
- (v) The Borrower shall provide the Agent and Consultant:
  - (i) on or before the date hereof, a weekly cash flow projection reflecting the projected cash requirements of the Borrower (on a consolidated basis) for the thirteen (13) week period commencing on August 10, 2015, which cash flow projection shall be updated on a rolling weekly basis (the "**Thirteen Week Cash Flow**");

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- (ii) on Thursday of each week after the date hereof, a variance report (the "**Weekly Cash Flow Variance Report**") comparing on a line-by-line basis actual receipts and disbursements for the cumulative period since the date hereof against the amounts shown in the Thirteen Week Cash Flow and showing the total available cash as at the last day of the prior week. The Weekly Cash Flow Variance Report shall include explanations for all variances greater than \$50,000 and shall be certified by the Chief Financial Officer of the Borrower. The first Weekly Budget Variance Report shall be delivered on Thursday, August 20, 2015;
- (iii) on or before the date hereof, a monthly financial projection (integrated cash flow, income statement and balance sheet) of the Borrower (on a consolidated basis) for the six (6) month period commencing on August 1, 2015, which projection shall be updated on a rolling monthly basis (the "**Six Month Projection**"); and
- (iv) monthly financial statements for the Borrower as required under the Credit Agreement, including a variance report ("**Monthly Report**") comparing actual results to the Six Month Projection. The Monthly Report shall include explanations for all variances greater than \$100,000 and shall be certified by the Chief Financial Officer of the Borrower;
- (w) The Borrower shall not make any cash payment (whether principal, interest, fees or otherwise) to the Subordinate Lenders or any of their legal or professional advisors during the term of this Agreement; and
- (x) The Thirteen Week Cash Flow and the Six Month Projection must be acceptable to the Agent, acting reasonably.

### **3. Borrower Acknowledgements**

The Borrower specifically acknowledges and agrees in favour of the Agent and the Lenders that:

- (a) the Borrower is in default under the Credit Agreement and the Agent and the Lenders are now in a position to exercise their rights and remedies pursuant to the Loan Documents, including the right to terminate the Commitments and to accelerate and demand payment of the Obligations;
- (b) the Agent and the Lenders have not yet enforced the Security held by them under the Loan Documents (and the Borrower acknowledges that the making of this Agreement by the Agent and the Lenders is not an enforcement of the Security), but the Agent and the Lenders have reserved all of their rights to take such steps as they deem advisable, including demanding payment of the Obligations and thereafter enforcing any and all remedies available to them hereunder, under the Security and other Loan Documents, at law and in equity;

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- (c) the Lenders have no commitment or other obligation to extend further credit to the Borrower under Tranche A-1;
- (d) the Swingline Lender has no commitment or other obligation to extend further credit to the Borrower under Tranche A-2;
- (e) time continues to be of the essence in performance of the obligations set out in the Loan Documents, except as otherwise set out herein;
- (f) each of the defaults listed in Schedule "D" hereto (the "**Existing Defaults**") has occurred and is continuing, has not been waived by the Agent or the Lenders, and the Agent and the Lenders have expressly reserved all of their rights and remedies under the Loan Documents and under applicable laws with respect to the Existing Defaults;
- (g) the occurrence and continuance of any Event of Default (other than the Existing Defaults and any further non-payment of principal) under the Credit Agreement shall constitute a Triggering Event hereunder; and
- (h) it will not assert any claim, counterclaim or other cause of action whatsoever against the Agent or any of the Lenders arising from or based on matters existing or occurring prior to the date hereof with respect to or in connection with the Obligations or the Loan Documents.
- (i) subject to the terms hereof, the Credit Agreement and the Security: (i) have not been released, discharged, waived or varied; (ii) are binding upon the Borrower; (iii) remain in full force and effect unamended; and (iv) are valid and enforceable against the Borrower in accordance with their written terms
- (j) the Security shall continue to secure the Obligations;
- (k) the Agent and the Lenders reserve all of their rights and remedies with respect to any other Default or Event of Default now or at any time hereafter existing;
- (l) the Agent and the Lenders have not waived the Existing Defaults, but have reserved their right to accelerate and demand payment of the Obligations as a result of the Existing Defaults upon the termination or expiry of this Agreement;
- (m) Except as expressly provided herein, the execution and delivery of this Agreement shall not: (i) constitute an extension, modification, or waiver of any term or aspect of the Credit Agreement or the other Loan Documents; (ii) extend the terms of the Credit Agreement or the due date of any of the Obligations; (iii) give rise to any obligation on the part of the Agent or the Lenders to extend, modify or waive any term or condition of the Credit Agreement or any of the other Loan Documents; or (iv) give rise to any defences or counterclaims to the right of the Agent or the

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Lenders to compel payment of the Obligations or to otherwise enforce their rights and remedies under the Credit Agreement and the other Loan Documents; and

- (n) Except as expressly limited herein, the Agent and the Lenders hereby expressly reserve all of their rights and remedies under the Loan Documents and under applicable law with respect to the Existing Defaults.

4. **Borrower Representation and Warranties**

The Borrower represents and warrants to the Agent and the Lenders that:

- (a) the execution, delivery and performance of this Agreement has been duly authorized by all actions, if any, required on its part and by its shareholders and directors;
- (b) no representation or warranty of any Company contained in the Credit Agreement or any of the other Loan Documents, including this Agreement, is untrue or incorrect as of the date hereof except with respect to any representation related to Defaults or Events of Default, which representation is qualified as set out in this Agreement;
- (c) there is no matter, fact or event which is known to the Borrower which has not been disclosed to the Agent which is likely to have a material adverse effect on the performance of the Borrower's obligations under the Credit Agreement or this Agreement (including the performance of the SISP);
- (d) the Existing Defaults are the only Defaults and Events of Default that have occurred and are continuing, and no other Default or Event of Default exists; and
- (e) it (i) understands fully the terms of this Agreement and the consequences of the execution and delivery of this Agreement, (ii) has been afforded an opportunity to have this Agreement reviewed by, and to discuss this Agreement and the documents executed in connection herewith, with such attorneys and other persons and advisors as the Borrower may wish, and (iii) has entered into this Agreement and executed and delivered all documents in connection herewith of its own free will and accord and without threat, duress or other coercion of any kind by any Person.

5. **Milestones**

The Borrower covenants and agrees with the Agent and the Lenders that it will deliver to the Agent or otherwise achieve each of the following in accordance with the timing set forth below (each a "Milestone" and collectively the "Milestones"):

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- (a) commence marketing to Interested Parties (as defined in the SISP) pursuant to the SISP on or before September 1, 2015 and provide copies of all marketing materials to the Agent and the Consultant on or before August 21, 2015;
- (b) be in receipt of one or more Phase 1 Bids (as defined in the SISP) on or before October 1, 2015;
- (c) be in receipt of one or more Bids (as defined in the SISP) on or before November 2, 2015;
- (d) enter into binding agreement(s) with the Successful Bidder(s) (as defined in the SISP) on or before November 30, 2015;
- (e) close all agreement(s) and transactions with the Successful Bidder(s) (as defined in the SISP) on or before December 31, 2015; and
- (f) such other items required to be delivered pursuant to the Credit Agreement when due.

**6. Agent and Lenders Covenants**

- (a) The Agent and the Lenders, until the expiry or termination of this Agreement, shall forbear from exercising their rights and remedies (other than their rights and remedies under this Agreement) including their right as against the Companies to accelerate and demand payment of the Obligations as a result of the Existing Defaults or any future non-payment of principal, their right to enforce their security or seek the appointment of a Receiver, Receiver and Manager or Trustee in Bankruptcy;
- (b) Until the expiry or termination of this Agreement, the Lenders shall not sell, assign, lend, pledge, hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Lenders' ability to perform its obligations under this Agreement) or otherwise transfer any of its Loans or any rights or interests therein or enter into any agreement, arrangement or understanding in connection therewith, except that any one of the Lenders may transfer its Loans to another one of the Lenders or to any transferee provided that such transferee agrees to be bound by all of the terms of this Agreement as if such transferee had originally executed this Agreement;
- (c) The Agent and the Lenders shall not take any action inconsistent with this Agreement or that would frustrate or hinder the consummation of a Transaction;
- (d) None of the Lenders will submit a proposal for the acquisition of the business or assets of the business pursuant to the SISP unless the SISP is terminated without a selection of a Successful Bidder; and

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- (e) Until the expiry or termination of this Agreement, each of the Agent and the Lenders shall, on and subject to the terms and conditions hereof:
- (i) support the approval of a Transaction as promptly as practicable provided that the Transaction is acceptable to the Agent and Lenders, acting reasonably;
  - (ii) not propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Borrower, including any proceeding under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or otherwise;
  - (iii) in the event that a Transaction is implemented by way of a court proceeding, support all motions filed by the Borrower in any such court proceeding (the "**Restructuring Proceedings**") that are in furtherance of the consummation of a Transaction provided that the Transaction is acceptable to the Agent and Lenders, acting reasonably;
  - (iv) not take or omit to take any action, directly or indirectly, that is materially inconsistent with, or is intended or is likely to interfere with the consummation of a Transaction; and
  - (v) execute any and all documents and perform any and all commercially reasonable acts required by this Agreement to satisfy all of its obligations hereunder including any consent, approval or waiver requested by the Borrower in furtherance of a Transaction, acting reasonably,

provided that nothing contained herein shall limit the ability of any of the Agent or Lenders to appear and be heard concerning any matter arising in the Restructuring Proceedings so long as such appearance is not inconsistent with the Agent and Lenders obligations hereunder.

7. **Conditions Precedent to Effectiveness of Agreement**

This Agreement will not be effective as against the Agent and the Lenders unless the Agent has received counterparts of this Agreement fully executed by the Borrower.

8. **Triggering Events**

In addition to any other rights or remedies of the Agent and the Lenders pursuant hereto and pursuant to the other Loan Documents, if any one or more of the following events has occurred (each, a "**Triggering Event**"), the Agent may, and upon the instructions of the Required Lenders the Agent will, declare by written notice to the Borrower that this Agreement has terminated, such termination to be effective as of the time specified in such notice:

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- (a) other than for any non-payment of principal due after the date of this Agreement, the Borrower defaults in the payment of any amount due and payable to the Agent or the Lenders pursuant to this Agreement or any other Loan Document;
- (b) any of the representations or warranties made or deemed to have been made by a Company in this Agreement proves to be incorrect as of the date given;
- (c) any Company after the date hereof fails or neglects to observe or perform any term, covenant, condition or obligation contained or referred to in this Agreement, including without limitation Section 2 hereof;
- (d) the Borrower fails to meet any of the timeline requirements set forth in the SISP (as such timelines may be extended in accordance with the terms of this Agreement);
- (e) an "Event of Default" occurs under the Credit Agreement, other than the Existing Defaults or the anticipated defaults as set out in Schedule "E" (the "**Anticipated Defaults**"), during the term of this Agreement;
- (f) the Borrower fails to deliver to the Agent or to meet any of the Milestones set out in Section 5 as at such date set out therein;
- (g) the issuance of any final and un-appealable decision, order or decree by a governmental entity, or the commencement of an action or investigation by any governmental entity, in consequence or in connection with a Transaction, which restrains, impedes or prohibits the Transaction;
- (h) any of the conditions set out in Section 7 not being waived or satisfied in accordance with the terms hereof; and
- (i) if a Transaction has not been completed by December 31, 2015, or such later date as may be agreed to by the Agent and the Borrower (the "**Outside Date**").

**9. Remedies**

Upon the termination or expiry of this Agreement, the Borrower covenants and agrees with the Agent and the Lenders that the Agent, upon instruction of the Required Lenders, may, in addition to any of the other remedies available to it under the Credit Agreement, declare any or all of the Obligations not already due and payable to be due and payable immediately and may demand payment of all such Obligations.

**10. Term**

This Agreement shall automatically terminate following the completion of a Transaction pertaining to all or substantially all of the Business or Property.



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**11. Effect of Termination**

- (a) Subject to (b) below, upon its termination this Agreement shall be of no further force or effect and each party hereto shall be automatically and simultaneously released from its commitments, undertakings, and covenants under or related to this Agreement.
- (b) Notwithstanding the termination or expiry of this Agreement, the agreements and obligations of the parties in Sections 6(a), 2(k), 2(l), 2(n) to and including 2(w) shall survive such termination for twenty-eight (28) days ("**Transition Period**") and shall continue to be in full force and effect for the benefit of the parties in accordance with the terms hereof. On the earlier of the expiry of the Transition Period or on seven (7) days' notice by either party, the parties shall be automatically and simultaneously released from all its commitments, undertakings, and covenants under or related to this Agreement.

**12. Agent's and Lenders' Fees and Expenses**

The Borrower will pay on demand all reasonable third party costs, expenses and fees incurred by the Agent and the Lenders in connection with this Agreement or any other Loan Document, including all legal fees and expenses of Lenders' counsel and the Consultant in connection with this Agreement.

**13. Communications Among Lenders**

The Borrower hereby acknowledges and consents to communications from time to time between the Senior Creditors and Subordinate Creditors and the sharing of information as determined advisable by each such Creditor in its discretion.

**14. Further Assurances**

For certainty, nothing contained herein shall be construed as a consent or waiver of any of the provisions of the Credit Agreement beyond that expressly stipulated in this Agreement.

**15. Release**

The Borrower hereby releases and forever discharges the Agent, the Lenders and their respective employees, officers, directors, agents and advisors and their respective employees, officers, directors, agents and advisors and their representatives and successors from any and all claims, demands, suits, actions of whatsoever nature or kind which the Borrower has at today's date or arising from the execution and delivery of this Agreement.

**16. Amendments and Waivers**

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(a) Subject to Section 16(b), any term, covenant or condition of this Agreement may only be amended by agreement between the Borrower and the Agent, and compliance therewith by the Borrower may only be waived (either generally or in a particular instance and either retroactively or prospectively) by the Agent.

(b) No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and, unless otherwise provided, will be limited to the specific breach waived.

**17. Notice**

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

TO THE AGENT:

BMO Bank of Montreal  
Special Accounts Management Unit, National Accounts  
First Canadian Place  
7<sup>th</sup> Floor, 100 King Street West  
Toronto, ON M5X 1A1

Attention: Amit Walia and Greg Fedoryn  
Email: amit.walia@bmo.com / greg.fedoryn@bmo.com

with a copy to:

Davies Ward Phillips & Vineberg LLP  
155 Wellington Street West, Suite 4000  
Toronto, ON M5V 3J7

Attention: Natasha MacParland  
E-mail: nmacparland@dwpv.com

TO THE COMPANY:

Primus Telecommunications Canada Inc.  
5343 Dundas Street West  
Suite 400  
Toronto, ON M9B 6K5

- 14 -

Attention: Michael Nowlan  
Email: mnowlan@primustel.ca

COPY TO:

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

Attention: Samantha Horn  
Email: shorn@stikeman.com

(b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third business day following the date of mailing; provided, however, that if at the time of mailing or within three business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

(c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 17.

**18. General**

(a) This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

(b) Time is of the essence of this Agreement.

(c) For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The parties each hereby attorn to the jurisdiction of the courts of the Province of Ontario.

(d) No failure on the part of the Agent or the Lenders to exercise, and no delay in exercising, any right hereunder will operate as a waiver thereof. The rights and remedies of the parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

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(e) The Borrower will, from time to time at its expense, execute and deliver all such further documents and instruments and do all acts and things as the Agent may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and the full intent and meaning of the Security.

(f) The agreements, representations, warranties and covenants of the Agent and the Lenders herein are, in all respects, several and not joint or joint and several.

(g) The headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.

(h) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

(i) This Agreement (including all schedules hereto) constitutes the entire agreement and supersedes all prior agreements and understanding, both oral and written, among the parties with respect to the subject matter hereof.

(j) This Agreement may be modified, amended or supplemented as to any matter in writing signed by the Borrower and the Agent.

(k) No party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto, except that any of the Lenders may transfer the Loans in compliance with and to the extent permitted by Section 6(b).

(l) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(m) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

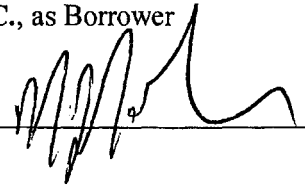
(n) This Agreement may be executed in any number of counterparts (whether by facsimile, pdf or original), each of which, will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same instrument.

**[SIGNATURE PAGES FOLLOW]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

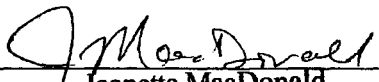
by

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Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

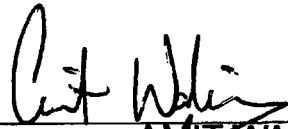
**BANK OF MONTREAL, as Agent**

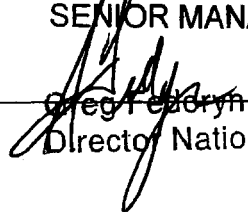
by   
Name: **Jeanette MacDonald**  
Title: **Director**

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Name:  
Title:

**BANK OF MONTREAL, as Lender**

by   
Name: AMIT WALIA  
Title: SENIOR MANAGER

  
Name: Greg Fedoryn  
Title: Director National Accounts

**HSBC BANK CANADA, as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_  
Name:  
Title:

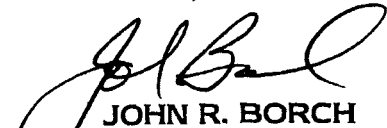
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Name:  
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**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**HSBC BANK CANADA, as Lender**

by   
Name: **JOHN R. BORCH**  
Title: ASSISTANT VICE PRESIDENT  
HSBC BANK CANADA

  
Name: **J.S. BRYDON**  
Title: Assistant Vice President

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:



**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name:

Title:

**HSBC BANK CANADA, as Lender**

by \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name:

Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_

  
Name: **Mark Bishop**  
Title: **Account Manager**  
**ASSET MANAGEMENT**

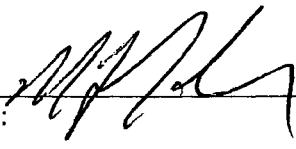
  
Name: **Bruce Stang**  
Title: **Director**  
**Asset Management**

**PT HOLDCO, INC., as Guarantor**

by   
Name:  
Title:

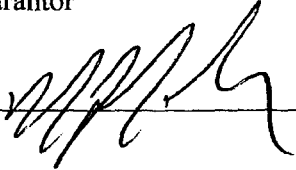
\_\_\_\_\_  
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**PTUS, INC., as Guarantor**

by   
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**PRIMUS TELECOMMUNICATIONS,  
INC., as Guarantor**

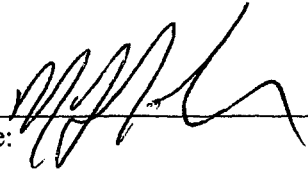
by   
Name:  
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Name:  
Title:

**LINGO, INC.,** as Guarantor

by

\_\_\_\_\_  
Name:  
Title:

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\_\_\_\_\_  
Name:  
Title:

## SCHEDULE "A"

### SALE AND INVESTOR SOLICITATION PROCESS

1. The purpose of the SISP is to identify one or more financiers, purchasers of and/or investors in the Primus Group's Business and/or Property (each as defined herein) with a completion date of a transaction or transactions no later than December 31, 2015.
2. Set forth below are the procedures (the "SISP Procedures") to be followed with respect to the SISP and, if there is a Successful Bid or Successful Bids (as defined herein), to complete the transactions contemplated by such Successful Bid(s).

#### Defined Terms

3. Capitalized terms used but not otherwise defined in these SISP Procedures shall have the following meaning:

"**Company**" means Primus Telecommunications Canada Inc.

"**Data Room**" means an electronic data room compiled and maintained by the Company containing confidential information in respect of the Primus Group, the Business and the Property.

"**First Secured Debt**" means all of the indebtedness owing pursuant to the Credit Agreement.

"**NDA**" means a non-disclosure and standstill agreement in form and substance satisfactory to the Company.

"**Portion Bid**" means a Bid for less than all or substantially all of the Property that is otherwise a Qualified Bid.

"**Portion Bidder**" means a Qualified Bidder that submits a Portion Bid.

"**Primus Group**" means the Company together with its subsidiaries and affiliates.

"**Sale Advisor**" means an investment banker engaged by the Company to assist with the implementation of the SISP.

#### *Solicitation Process*

4. The SISP Procedures set forth herein describe the manner in which Interested Parties (as defined in paragraph 6 below) may gain access to or continue to have access to due diligence materials concerning the Primus Group, its business and operations (the "**Business**") and its assets, undertakings and properties (collectively, the "**Property**"), the manner in which a bid becomes a Qualified Bid (as defined herein), the receipt and negotiation of Qualified Bids received, the ultimate selection of Successful Bid(s) and/or Alternate Bids(s) (as defined in Appendix B).

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5. The Company shall have overall supervision of the SISP Procedures and shall lead the process with the support and assistance of its advisors.
6. The Company, with the assistance of the Sale Advisor, will compile a listing of prospective financiers, investors and/or purchasers (together with others expressing an interest in the Business and/or Property, the "**Interested Parties**"). The Sale Advisor will use its best efforts to contact all Interested Parties to introduce the opportunity for investment in or the acquisition of the Business or Property and will provide a "teaser" describing the opportunity to finance, acquire or invest in the Primus Group or to acquire some, all or substantially all of the Business or the Property to each Interested Party that expresses an interest in receiving such teaser.
7. Interested Parties will be invited to a management presentation upon execution of an NDA.
8. Within one week after the Phase 1 Bid Deadline and at the discretion of the Company, Qualified Bidders will be provided with a form of definitive purchase agreement (the "**Template Purchase Agreement**") to be used in submitting a Bid for the acquisition for some or all of the Property and provided access to the Data Room.

*Due Diligence From Qualified Bidders*

9. Each Qualified Bidder shall comply with all reasonable requests for additional information by the Company regarding such Qualified Bidder and its contemplated transaction. Failure by a Qualified Bidder to comply with requests for additional information will be a basis for the Company to disqualify the Qualified Bidder.

**Deadlines**

*Phase 1 Bid Deadline*

10. An Interested Party, if it wishes to submit an initial nonbinding offer, must deliver an original executed copy of a comprehensive nonbinding proposal (a "**Phase 1 Bid**") to the Company at the address specified in Appendix A hereto (including by email) so as to be received by the Company by not later than 12:00 p.m. (Eastern Time) on October 1, 2015, or such other later date or time as may be set by the Company (the "**Phase 1 Bid Deadline**").

*Phase 2 Bid Deadline*

11. A Qualified Bidder, if it wishes to submit a binding offer, must deliver an original executed copy of a comprehensive, final and binding proposal (a "**Bid**") to the Company at the address specified in Appendix A hereto (including by email) so as to be received by the Company by not later than 12:00 p.m. (Eastern Time) on November 2, 2015, or such other later date or time as may be set by the Company (the "**Bid Deadline**").

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**Participant Requirements**

12. To participate in the process detailed by these SISP Procedures and to otherwise be considered for any purpose hereunder, an interested party must submit a Phase 1 Bid and each bidder submitting a Phase 1 Bid (a "**Qualified Bidder**") must be determined by the Company to have satisfactorily provided the Company with each of the following on or before the Phase 1 Bid Deadline (collectively, the "**Participant Requirements**"):
- (a) Identification of Qualified Bidder. Identification of the Qualified Bidder and any Principals (defined below), and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction;
  - (b) Non-Binding Expression of Interest. An executed non-binding indication of interest that must reasonably identify the contemplated transaction, including the assets proposed to be acquired, the proposed purchase price, and any contingencies, and conditions precedent to closing;
  - (c) Corporate Authority. Execution of the Phase 1 Bid by the Qualified Bidder's chief executive officer or other appropriate senior executive or evidence that such officer has approved the Phase 1 Bid; provided, however, that, if the Qualified Bidder is an entity specially formed for the purpose of effectuating the contemplated transaction (an "**Acquisition Entity**"), then the Qualified Bidder must furnish written evidence reasonably acceptable to the Debtors of the approval of the Phase 1 Bid by the equity holder(s) of such Qualified Bidder and any guarantor of the bid (the "**Principals**"); and
  - (d) Confidentiality Agreement. An executed NDA.

*Submission of Binding Offers*

13. A Bid will be deemed to be a "**Qualified Bid**" only if the Bid complies with all of the following:
- (a) It includes a letter stating that the Bid is irrevocable until the later of (i) the selection of the Successful Bidder (as defined herein) and (ii) thirty (30) calendar days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder or the Alternate Bidder (as defined in Appendix B), its Bid shall remain irrevocable until the closing of the sale to the Successful Bidder or to the Alternate Bid Expiration Date (as defined below), as applicable;
  - (b) It includes:
    - (i) in the case of a Bid to purchase the Business or any or all of the Property, a duly authorized and executed definitive purchase agreement substantially in the form of the Template Purchase Agreement containing the detailed

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terms and conditions of the proposed transaction, including identification of the Business or the Property proposed to be acquired, the purchase price for the Business or Property proposed to be acquired (the "**Purchase Price**"), the detailed structure and financing of the proposed transaction, together with a red line comparing the purchase agreement submitted to the Template Purchase Agreement; or

- (ii) in the case of an offer to make an investment in the Primus Group, a duly authorized and executed term sheet describing the detailed terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Primus Group following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Primus Group, the treatment of the First Secured Debt (including what portion of the First Secured Debt will be paid on closing) and the debt, equity, or other securities, if any, proposed to be allocated to other creditors of the Primus Group;
- (c) It includes written evidence upon which the Company may reasonably conclude that the Qualified Bidder has the necessary financial ability to close the contemplated transaction and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction. Such information should include, among other things, the following:
  - (iii) evidence of the Qualified Bidder's internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated transaction;
  - (iv) contact names and numbers for verification of financing sources; and
  - (v) any such other form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Company demonstrating that such Qualified Bidder has the ability to close the contemplated transaction;
- (d) It indicates whether regulatory approval is anticipated to be required;
- (e) It is not conditioned on (i) the outcome of unperformed due diligence and/or (ii) obtaining financing;
- (f) It fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the bid, including whether any prior or current member of the Company's board,

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management, any employee or consultant to the Company or any creditor (including any of the Lenders) or shareholder of the Company is involved in any way with the bid or assisted with the bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the bid;

- (g) It includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in a definitive agreement;
  - (h) It includes evidence, in form and substance reasonably satisfactory to the Company, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - (i) It does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;
  - (j) It is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Company), or such other form acceptable to the Company, payable to the order of the Company, in trust, (i) if the total consideration is quantifiable, in an amount equal to 5% of the cash consideration of the Bid which Deposit shall be held and dealt with in accordance with these SISP Procedures;
  - (k) It contains such other information as may reasonably be requested by the Company; and
  - (l) It is received by the Bid Deadline.
14. The Company may waive any one or more minor and non-material violations of the requirements specified for Qualified Bids and deem such non-compliant bids to be Qualified Bids.

#### **Evaluation of Qualified Bids and Subsequent Actions**

15. The Company shall evaluate Qualified Bids on various grounds including, but not limited to, the purchase price or imputed value, the treatment of creditors and related implied



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recovery for creditors (in each case, as applicable) and any delay or other risks (including closing risks) in connection with the Qualified Bids. Following that evaluation, the Company may:

- (a) Accept one (or more than one, if for distinct and compatible transactions) of the Qualified Bids (each a "**Successful Bid**" and the offeror(s) making such Successful Bid being a "**Successful Bidder**") and take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid(s) with Successful Bidder(s);
  - (b) Continue negotiations with selected Qualified Bidders (collectively, the "**Selected Bidders**") with a view to finalizing acceptable terms with one (or more than one, if for distinct and compatible transactions) of the Qualified Bidders; or
  - (c) Pursue an auction in accordance with the procedures set out in the attached Appendix B (an "**Auction**") if more than one Qualified Bid for the same Property or aspects of the Business has been received or if the Company otherwise determines that an Auction is appropriate under the circumstances.
16. The Company shall be under no obligation to accept the highest or best offer or any offer or to pursue or hold an Auction or to select any Successful Bidder(s) and any Alternate Bidder(s).
  17. If a Successful Bidder fails to consummate a transaction related to the Property or portion thereof for any reason, then the Alternate Bid will be deemed to be the Successful Bid for the Property or portion thereof and the Company will proceed with the transaction pursuant to the terms of the Alternate Bid. Alternate Bids shall remain open for acceptance until the completion of the transaction(s) with the Successful Bidder(s) (the "**Alternate Bid Expiration Date**").
  18. All Qualified Bids (other than the Successful Bid(s) and the Alternate Bid(s)) shall be deemed rejected by the Company on and as of the date of the execution of definitive documents with respect to the transactions contemplated by the Successful Bid(s) by the Company.
  19. If no Qualified Bids are received by the Bid Deadline or if no Qualified Bid(s) are accepted or if no Successful Bidder(s) have been selected or no Auction has been pursued by the Company by November 30, 2015, the SISP shall automatically terminate. If no transaction has been successfully consummated with the Successful Bidder by December 31, 2015, the SISP shall automatically terminate.

#### **Deposits**

20. All Deposits shall be held by the Company in a single account designated solely for such purpose. A Deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits

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paid by Qualified Bidders not selected as either a Successful Bidder or an Alternate Bidder shall be returned to such Qualified Bidders within three (3) Business Days of the date upon which definitive documents in respect of a Successful Bid are executed by the Company. In the case of an Alternate Bid, the Deposit shall be retained by the Company until the Alternate Bid Expiration Date and returned to the Alternate Bidder within three (3) Business Days thereafter or, if an Alternate Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Alternate Bid.

### **"As Is, Where Is"**

21. Any sale of the Business and/or Property or any investment in the Primus Group will be *on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description* by the Primus Group or its advisors or any of their agents or estates, except to the extent otherwise provided under any definitive sale or investment agreement with a Successful Bidder executed by the Company. Neither the Company nor its advisors or any of their agents or estates makes any representation or warranty as to the information contained in the teaser, the management presentation or in the Data Room, except to the extent otherwise provided under any definitive sale or investment agreement with a Successful Bidder executed by the Company. Each Qualified Bidder is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its offer, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Business and Property in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business and Property, or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these SISP procedures or the terms of any definitive transaction documents.

### **No Obligation to Conclude a Sale**

22. The Company shall have no obligation to agree to conclude a sale or investment arising out of the SISP, and reserves the right and unfettered discretion to reject any offer or other proposal made in connection with the SISP. In addition, the Company may at any time terminate these SISP Procedures, and shall provide notice of any such termination to any Qualified Bidders.

### **Information**

23. Notwithstanding anything else in these SISP Procedures, to the extent that any director, officer or employee of, or any consultant to, the Company or any of its subsidiaries, or any entity controlled by such person, either individually or jointly with another Interested Party, submits a Bid, participates at the Auction as a bidder, or is directly or indirectly involved with or assisting any Interested Party that is contemplating submitting a Bid, submits a Bid, is deemed a Qualified Bidder, or participates at the Auction as a bidder, such person shall no longer from the first applicable point forward (i) be included in any

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discussions or deliberations in connection with these SISP Procedures, including any decision making of the Company in respect of any matter on which the Company's consent is required or (ii) receive any information under these SISP Procedures.

#### **Communications**

24. All Interested Parties and any bidders shall direct all communications or discussions with respect to these SISP Procedures, including but not limited to, any requests for information about the Company and the Property or Business or with respect to the terms or conditions of any proposed or actual bid, or the status of any such bids, directly to the Sale Advisor.

#### **Modifications and Reservations**

25. The Company reserves the right to amend or modify these SISP Procedures.
26. These SISP Procedures do not, and will not be interpreted to, create any contractual or other legal relationship between the Company or its advisors and any Qualified Bidder, other than, with respect to the Company, as specifically set forth in a definitive agreement executed by the Company.

**APPENDIX A**

**ADDRESSES FOR NOTICES**

**APPENDIX B****AUCTION PROCEDURES****Auction**

1. If the Company determines to conduct an Auction pursuant to paragraph \_\_\_ of these SISP Procedures, the Sale Advisor will conduct at a time and place to be set within two weeks after the Bid Deadline. The Auction shall be conducted in accordance with the following procedures:
  - (a) Participation At The Auction. Only a Qualified Bidder that has submitted a Qualified Bid is eligible to participate in the Auction. Only the authorized representatives (including counsel and other advisors) of each of the Qualified Bidders and the Company shall be permitted to attend the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Bid at the beginning of the Auction shall constitute the "Opening Bid" for the first round and the highest "Overbid" at the end of each round shall constitute the "Opening Bid" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Any Qualified Bidder who bids in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. For greater certainty, a combination of Portion Bids that do not overlap and which, when totaled, exceed the Minimum Overbid (an "Aggregated Bid") may be determined to be the Opening Bid for any round including the opening round.
  - (b) Company Shall Conduct The Auction. The Company and its advisors shall direct and preside over the Auction. At the start of the Auction, the Company shall provide the terms of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Company reasonably deems relevant to the value of the Qualified Bid, including, among other things, the following: (i) the amount and nature of the consideration; (ii) the proposed assumption of any liabilities; (iii) the ability of the Qualified Bidder to close the proposed transaction; (iv) the proposed closing date and the likelihood, extent and impact of any potential delays in closing; (v) any purchase-price adjustments; (vi) the impact of the contemplated transaction on any actual or potential litigation; (vii) the net economic effect of any changes from the Opening Bid of the previous round, (viii) the net after-tax consideration to be received by the Company; and (ix) such other considerations as the Company deems relevant in its reasonable business judgment (collectively, the "Bid Assessment Criteria"). For greater certainty, the Company may ascribe monetary values to non-monetary terms in Overbids for the purposes of assessing and valuing such Overbids. All Bids made after the Opening Bid shall be Overbids (as defined below), and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Bidders that are

participating in the Auction. The Company shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid and the Alternate Bid (as defined below).

- (c) Terms of Overbids. An "Overbid" is any Bid made at the Auction subsequent to the Company's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Bidder must comply with the following conditions:
- (i) **Minimum Overbid Increment:** Any Overbid shall be made in such increments of as the Company may determine in order to facilitate the Auction (the "Minimum Overbid Increment"). The amount of the cash purchase price consideration of any Overbid shall not be less than the cash purchase price consideration of the Opening Bid, plus the Minimum Overbid Increment(s) at that time plus any additional Minimum Overbid Increments.
  - (ii) **Remaining terms are the same as for Qualified Bids:** Except as modified herein, an Overbid must comply with the conditions for a Qualified set forth in the SISP, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must provide that it remains irrevocable and binding on the Qualified Bidder until [x], 2015. To the extent not previously provided, a Qualified Bidder submitting an Overbid must submit, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Company) demonstrating such Qualified Bidder's ability to close the transaction proposed by such Overbid.
  - (iii) **Announcing Overbids:** At the end of each round of bidding, the Company shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid, including the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Company based on, among other things, the Bid Assessment Criteria. For greater certainty, an Aggregated Bid may be determined to be the highest and/or best Overbid.
  - (iv) **Consideration of Overbids:** The Company reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things: (A) facilitate discussions between the Company and individual Qualified Bidders; (B) allow individual Qualified Bidders to consider how they wish to proceed; (C) consider and determine

the current highest and/or best Overbid at any given time during the Auction; and, (D) give Qualified Bidders the opportunity to provide the Company with such additional evidence as it may require, in its reasonable business judgment, that the Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Company may have clarifying discussions with a Qualified Bidder, and the Company may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions.

- (v) **Portion Bids:** Notwithstanding the forgoing, each Portion Bidder entitled to participate in the Auction shall be entitled to submit an Overbid (in a minimum increment to be determined by the Company) with respect to the Assets it is bidding on without being required to submit an Overbid with respect to all Assets or the applicable Opening Bid; provided that any Aggregated Bid that is an Overbid shall be subject to these Auction procedures as any other Overbid, including that such Aggregated Bid that is an Overbid shall be subject to the Minimum Overbid Increment.
- (vi) **Failure to Bid:** If at the end of any round of bidding a Qualified Bidder (other than a Portion Bidder, or the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.
- (d) **Additional Procedures.** The Company may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction and that are not inconsistent with any of the provisions of the SISP Procedures provided that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders.
- (e) **Closing the Auction.** Upon conclusion of the bidding, the Auction shall be closed, and the Company shall, with the assistance of their advisors (i) immediately review the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identify the Successful Bid and the Alternate Bid and advise the Qualified Bidders participating in the Auction of such determination. One or more Portion Bids can form part of a Successful Bid and Alternate Bid so long as such Portion Bids do not overlap in respect of the Assets sought to be purchased and in such

case, such Portion Bid shall be included in the definition of Successful Bidder or Alternate Bid, as applicable.

- (f) Finalizing Documentation. Promptly following a Bid of a Qualified Bidder being declared the Successful Bid or the Alternate Bid, the Qualified Bidder shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Alternate Bid.
- (g) Investment Bid. Notwithstanding any other provision of these SISP Procedures, if a Qualified Bidder submits an investment bid involving a restructuring, refinancing, recapitalization or other form of reorganization of the business and affairs of the Primus Group, or any of the Primus Group, as a going concern, which the Company considers would result in a greater value being received for the benefit of the Primus Group's creditors than the Qualified Bids, then the Company may consider such investment bid a Qualified Bid and allow such Qualified Bidder to participate in the Auction, notwithstanding that such investment bid does not otherwise comply with the terms of these SISP Procedures relating to the Auction. In such case, the Company may adopt appropriate rules to facilitate such Qualified Bidder's participation in the Auction.



**SCHEDULE "B"**

**KEY EMPLOYEE RETENTION PLAN**

**[PRIMUS LETTERHEAD]**

**STRICTLY PRIVATE AND CONFIDENTIAL**

**[Name]**

**[Address]**

**[Date]**

Dear **[Name]**

As Primus Telecommunications Canada Inc. ("**Primus**") is engaging in a process to consider its strategic options, Primus would like to assure you that your contributions continue to be valued. We truly appreciate your continued hard work and importance to Primus, particularly at this time.

In consideration of your ongoing employment with Primus, Primus is offering you the following payments in addition to your regular salary and existing benefits:

1.           **[\$X]** (the "**Guaranteed Amount**") payable as follows:
  - (a)       50% of the **Guaranteed Amount** will be paid upon the earlier of December 31, 2015 or the completion of the sale of all or substantially all of Primus's business (the "**Sale Transaction**"); and
  - (b)       the remaining 50% of the **First Tranche** will be payable upon the earlier of March 31, 2016 or the completion of the **Sale Transaction**.
2.           **[\$X]** (the "**Success Amount**") payable on the earlier of March 31, 2016 or the completion of a **Sale Transaction**.
3.           **[\$X]** (the "**Discretionary Amount**") payable **[NTD: different for each person – Michael to advise]**; and

**4. [X] (the "Bonus Amount" payable within [X] days of the completion of the Sale Transaction if the gross proceeds from such Sale Transaction result in the payment in full of the Senior Debt, including all associated interest, costs and fees.)**

The proposal outlined above was approved by the Board of Directors on [X] \_\_, 2015.

In order to receive the amounts described above, (a) you must not have disclosed these arrangements to any person other than your personal representatives and legal advisors (other than any disclosure required by law), and (b) at the time such payments would be payable you cannot have (i) resigned or notified the Company of your resignation, (ii) been terminated or notified of termination, for any reason, with or without cause; or (iii) have failed to perform your duties and responsibilities diligently, faithfully and honestly.

Sincerely,

Michael Nowlan  
Chief Executive Officer  
Primus Telecommunications Canada Inc.

SCHEDULE "C"

WEEKLY CASH FLOW FORECAST

	Weekly 31/01/2015 Actual	Weekly 07/02/2015 Actual	Weekly 14/02/2015 Actual	Weekly 21/02/2015 Actual	Weekly 28/02/2015 Actual	Weekly 07/03/2015 Actual	Weekly 14/03/2015 Actual	Weekly 21/03/2015 Actual	Weekly 28/03/2015 Actual	Weekly 04/04/2015 Actual	Weekly 11/04/2015 Actual	Weekly 18/04/2015 Actual	Weekly 25/04/2015 Actual	Weekly 02/05/2015 Actual	Weekly 09/05/2015 Actual	Weekly 16/05/2015 Actual	Weekly 23/05/2015 Actual	Weekly 30/05/2015 Actual	Weekly 06/06/2015 Actual	Weekly 13/06/2015 Actual	Weekly 20/06/2015 Actual	Weekly 27/06/2015 Actual	Weekly 04/07/2016 Actual	Weekly 11/07/2016 Actual	Weekly 18/07/2016 Actual	
CANADA TELECOM																										
Receipts total (In CAD \$)	3,433,296	4,053,344	2,853,199	2,888,264	3,374,675	3,734,033	3,355,183	3,346,692	3,168,809	3,561,260	2,895,673	2,931,003	3,688,046	3,632,447	3,264,913	2,923,666	3,238,156	3,230,757	3,603,420	2,637,968	3,182,460	2,989,303	3,002,527	3,330,254	3,310,715	
Disbursements																										
Canada CAD																										
Payroll	-1,275,788	0	-1,217,706	-222,324	-1,300,614	-49,920	-1,296,923	-8,036	-1,299,648	-8,036	-1,191,591	-74,458	-1,230,958	-7,910	-1,153,789	-122,536	-1,197,561	-7,215	-1,113,693	-135,712	-1,180,224	-7,235	-1,081,973	-7,145	-1,181,561	
Network - Allstream	-571,978	-582	-13,420	-75,789	-281,544	-299,957	-7,951	-8,834	-82,292	0	-277,242	-304,961	-76,396	-281,491	-281,341	-15,175	-78,486	-285,648	-274,392	-9,210	-91,578	0	-560,364	0	-8,391	
Network - Bell	-3,276,861	-1,089,261	-583,626	-133,841	-2,410,528	-320,806	-1,653,701	-9,640	-3,087,042	-742,131	-743,567	-1,028,240	-2,387,723	-1,482,343	-1,098,056	-678,712	-128,010	-1,849,893	-1,538,568	-1,162,621	-600,513	-129,001	-1,009,159	-2,861,329	-923,483	
Network - Telus	-55,271	-33,970	-1,680	-159,470	-44,741	-32,803	-10,513	-175,543	-21,604	-15,144	-8,445	-19,107	-193,633	-25,528	-9,290	-4,408	-179,211	-29,090	0	-35,626	-2,868	-172,778	0	-45,891	0	
Network - Other	-293,867	-188,296	-76,572	-83,410	-315,239	-112,129	-106,742	-50,682	-360,253	-47,449	-73,244	-77,827	-51,621	0	-415,616	-177,028	-69,718	-7,371	-415,295	-149,890	-80,521	-222,097	-1,009	-301,380	-79,480	
Government and rents	-850,516	-309,689	-55,667	-16,505	-238,742	-391,035	-463	-30,112	-995	-879,359	-363	-31,948	-3,431	-723,184	0	-15,084	-490,653	-372,812	-276	-44,139	0	-1,006,621	-5,468	-21,079		
Trade & misc	-457,774	-969,706	-719,295	-589,768	-340,192	-332,240	-461,342	-725,195	-683,758	-1,612,597	838,256	-660,674	-303,348	-209,514	-504,692	-504,731	-236,832	-210,692	-863,369	-342,946	-694,465	-869,215	-66,417	-645,440	-487,594	
Debt Interest & Principal	-224,465	0	0	-190	-210,180	0	0	-194	0	-2,594,632	0	0	-219	-280,574	0	0	-271,347	0	0	0	0	0	-303,216	0	0	
Canada USD																										
USD Network - Bell	0	0	-94,514	0	0	0	-63,901	0	0	0	-44,638	0	0	0	0	-34,904	0	0	0	-32,382	0	0	0	0	0	-36,943
USD Network - other	-36,557	-454,671	-42,903	-1,808	0	-502,653	0	-41,752	-198,465	-59,453	-42,674	-131,352	-120,451	0	-89,327	-257,857	-181,570	0	-45,457	-438,993	-2,950	-7,457	0	-369,341	-98,279	
USD Other	-15,063	-38,514	-293,764	-3,290	-114,184	-33,351	17,577	-178,063	-10,290	-21,068	-22,032	-31,897	-172,657	0	-68,705	-1,025,639	-87,157	-54,243	-75,989	-449,307	-49,114	-22,999	-3,380	-112,151	-230,432	
Disbursements total (In CAD \$)	-6,969,730	-3,218,969	-3,217,857	-1,204,642	-5,281,858	-2,209,834	-3,605,596	-1,281,666	-5,786,667	-5,101,155	-1,592,768	-2,402,952	-4,605,287	-3,020,643	-3,665,090	-3,095,174	-2,228,311	-3,218,491	-4,529,401	-2,982,896	-2,738,411	-1,437,677	-4,033,121	-4,471,254	-3,164,483	
Net Cash flow	-3,536,434	834,374	-364,658	1,683,622	-1,907,184	1,524,199	-250,413	2,065,026	-2,617,858	-2,539,895	1,302,904	528,051	-916,238	611,805	-390,177	-171,488	1,008,847	12,266	-925,981	-144,928	454,049	1,551,625	-1,030,593	-1,081,010	146,232	
Opening Balance (CAD \$)	6,549,358	3,015,497	3,846,827	3,481,628	5,085,860	3,177,987	4,702,784	4,454,873	6,513,437	3,896,270	1,354,122	2,657,406	3,184,379	2,267,794	2,879,373	2,485,417	2,313,929	3,323,574	3,336,657	2,410,644	2,265,404	2,719,307	4,271,241	3,242,120	2,161,358	
Closing Balance (CAD \$)	3,011,963	3,849,871	3,482,169	5,085,290	3,178,676	4,702,167	4,452,371	6,519,899	3,895,579	1,366,375	2,657,025	3,185,459	2,268,141	2,879,599	2,489,198	2,313,929	3,322,775	3,335,840	2,410,676	2,265,716	2,719,453	4,270,933	3,240,647	2,161,110	2,307,590	
Note: Opening balance will vary slightly from previous week's closing balance due to exchange rate changes on funds held in USD																										
US RETAIL																										
Receipts	501,436	351,798	202,249	351,919	235,416	632,020	245,319	421,376	240,482	524,002	309,596	416,098	221,015	512,788	288,633	215,375	363,079	299,276	427,021	286,491	364,005	215,367	455,100	282,271	344,115	
Disbursements	-316,003	-236,265	-506,622	-179,669	-581,228	-70,356	-273,901	-188,989	-577,672	-522,845	-296,409	-410,213	-236,210	-656,981	-113,681	-255,923	-345,686	-357,162	-333,414	-249,198	-141,954	-254,329	-636,346	-237,914	-563,104	
Net Cash Flow	185,435	115,533	-306,673	182,250	-345,812	561,664	-28,582	232,387	-337,190	1,153	11,147	7,876	-15,195	-144,192	174,953	-40,548	17,393	-57,886	93,606	37,293	222,051	-48,961	-181,246	44,357	-224,989	
Opening Balance (USD)	1,354,954	1,540,390	1,156,923	849,350	1,031,600	685,788	1,247,482	1,218,870	1,451,257	1,114,077	990,230	1,001,377	859,252	694,058	549,865	724,818	584,270	601,663	503,777	597,363	634,677	856,727	807,766	626,520	620,877	
Closing Balance (USD)	1,540,390	1,156,923	849,350	1,031,600	685,788	1,247,482	1,218,870	1,451,257	1,114,077	990,230	1,001,377	859,252	694,058	549,865	724,818	584,270	601,663	503,777	597,363	634,677	856,727	807,766	626,520	620,877	395,888	
COMBINED (CAD \$)	4,928,848	5,320,517	4,545,266	6,369,036	4,037,996	6,263,111	5,998,209	6,375,027	5,294,224	2,608,193	3,905,952	4,268,340	3,115,738	3,549,126	3,370,198	3,019,266	4,048,103	3,954,221	3,154,281	3,065,146	3,774,093	5,261,569	4,012,100	2,941,031	2,808,328	
Note: Disbursements forecasts before changes made to modify timing of disbursements to better align with timing of cash receipts																										

	Weekly 25/07/2015 Actual	Weekly 01/08/2015 Actual	Weekly 08/08/2015 Actual	Weekly 15/08/2015 Actual	Weekly 22/08/2015 Forecast	Weekly 29/08/2015 Forecast	Weekly 05/09/2015 Forecast	Weekly 12/09/2015 Forecast	Weekly 19/09/2015 Forecast	Weekly 26/09/2015 Forecast	Weekly 03/10/2015 Forecast	Weekly 10/10/2015 Forecast	Weekly 17/10/2015 Forecast	Weekly 24/10/2015 Forecast	Weekly 31/10/2015 Forecast	Weekly 07/11/2015 Forecast	Weekly 14/11/2015 Forecast	
<b>CANADA TELECOM</b>																		
Receipts total (in CAD \$)	2,732,943	3,061,542	2,469,132	2,494,548	4,423,502	3,174,204	3,181,469	2,390,069	3,181,507	3,179,861	3,181,507	3,653,215	2,393,361	3,181,507	3,181,443	3,386,814	2,063,885	
<b>Disbursements</b>																		
<b>Canada CAD</b>																		
Payroll	-7,231	-1,121,510	-7,317	-1,158,967	-7,337	-1,137,734	0	-1,213,184	0	-1,137,734	0	-1,213,184	0	-1,137,734	0	-1,213,184	0	
Network - Allstream	-85,987	-256,829	-289,361	-9,115	-79,545	-361,883	-829,026	-8,000	-8,000	-125,000	-289,000	-325,000	-16,000	-125,000	-9,000	-605,000	-8,000	
Network - Bell	-242,131	-971,161	-1,313,435	-2,011,640	-645,873	-1,251,740	-1,040,150	-2,333,112	-770,000	-595,000	-1,650,000	-2,301,187	-710,000	-280,000	-1,900,000	-1,740,150	-886,037	
Network - Telus	-183,960	-48,112	-6,494	-27,930	-137,247	-178,523	-20,000	-27,000	-10,000	-29,000	-170,000	-27,000	-10,000	0	-179,000	-20,000	-37,000	
Network - Other	-76,837	-382,630	-73,269	-76,175	-80,484	-75,000	-50,000	-325,000	-100,000	-75,000	-50,000	-325,000	-100,000	-75,000	-50,000	-325,000	-100,000	
Government and rents	-7,307	-422,563	-396,157	-62	-31,358	0	-863,419	0	-11,000	0	-907,233	0	-11,000	0	-500,000	-407,233	-11,000	
Trade & misc	-414,385	-278,480	-217,819	-182,439	-669,278	-873,147	-274,419	-387,455	-489,050	-412,803	-504,419	-364,600	-509,405	-412,803	-515,000	-288,519	-420,905	
Debt Interest & Principal	0	-279,518	-12,855	0	0	-50,000	-283,845	0	0	0	-353,845	0	0	0	-353,845	0	0	
<b>Canada USD</b>																		
USD Network - Bell	0	0	0	-32,328	0	0	0	-40,000	0	0	0	-40,000	0	0	0	0	0	
USD Network - other	-9,114	-37,801	-208,480	-257,042	-276	-100,591	0	-345,000	-177,500	-95,000	0	-345,000	-97,500	0	-175,000	0	0	
USD Other	-66,783	-23,300	478	-5,194	-2,184	-345,561	-15,000	-40,000	-40,524	-40,000	-15,000	-40,000	-40,524	-40,000	-40,000	0	0	
Disbursements total (in CAD \$)	-1,113,836	-3,838,086	-2,579,797	-3,849,200	-1,654,321	-4,505,750	-3,380,282	-4,846,761	-1,671,743	-2,550,199	-3,944,015	-5,108,981	-1,536,002	-2,082,585	-3,788,142	-4,597,086	-1,462,942	
Net Cash flow	1,619,107	-776,544	-110,665	-1,354,653	2,769,180	-1,331,545	-198,813	-2,456,692	1,509,764	629,662	-762,508	-1,455,766	857,359	1,098,922	-606,699	-1,210,272	600,943	
Opening Balance (CAD \$)	2,307,590	3,926,696	3,150,153	3,039,822	1,685,169	4,454,282	3,122,737	2,924,331	467,639	1,977,403	2,607,065	1,844,558	388,791	1,246,151	2,345,864	1,739,165	526,858	
Closing Balance (CAD \$)	3,926,696	3,150,153	3,039,488	1,685,169	4,454,350	3,122,737	2,923,924	467,639	1,977,403	2,607,065	1,844,558	388,791	1,246,151	2,345,073	1,739,165	526,858	1,127,801	
				1,145,220	<i>Note: Opening balance will vary slightly from previous week's closing balance due to exchange rate</i>													
				539,950														
<b>US RETAIL</b>																		
Receipts	207,913	488,579	323,251	220,935	381,518	447,000	225,000	180,000	380,000	225,000	447,000	225,000	335,000	225,000	447,000	225,000	335,000	
Disbursements	-127,525	-335,956	-461,589	-442,321	-291,774	-379,227	-474,185	-148,000	-200,000	-543,000	-210,000	-339,000	-110,000	-308,000	-525,000	-319,000	-70,000	
Net Cash Flow	80,388	152,623	-138,338	-221,386	89,744	67,773	-249,185	32,000	180,000	-318,000	237,000	-114,000	225,000	-83,000	-78,000	-94,000	265,000	
Opening Balance (USD)	395,888	476,276	628,899	470,561	249,175	338,918	406,692	157,507	189,507	369,507	51,507	288,507	174,507	399,507	316,507	238,507	144,507	
Closing Balance (USD)	476,276	628,899	470,561	249,175	338,918	406,692	157,507	189,507	369,507	51,507	288,507	174,507	399,507	316,507	238,507	144,507	409,507	
<b>COMBINED (CAD \$)</b>																		
	4,529,114	3,945,615	3,634,676	2,009,047	4,894,876	3,649,362	3,127,880	714,225	2,458,206	2,674,086	2,219,963	615,860	1,765,989	2,756,912	2,051,218	715,925	1,663,583	
				1,726,463	<i>Note: Disbursements forecasts before changes made to modify timing of disbursements to better align</i>													
				282,584														

PT Holdco Inc.  
Consolidated Balance Sheet  
(000's)

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
<b>ASSETS</b>															
<b>CURRENT</b>															
Cash and cash equivalents	5,495	5,040	4,137	3,062	3,448	4,014	3,336	4,602	3,966	2,974	3,388	4,166	3,025	3,713	2,698
Accounts receivable	11,709	12,030	13,568	11,825	11,923	12,583	11,746	12,124	11,921	11,740	11,821	11,579	11,567	11,864	11,625
Prepaid expenses	2,240	2,378	2,027	2,099	1,941	2,213	2,169	2,141	2,078	2,041	2,043	1,974	1,970	2,029	1,949
Investment in subsidiaries	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Inventory, deposits and other receivables	1,886	2,045	2,100	1,915	2,214	2,087	1,919	1,873	1,859	1,857	1,859	1,838	1,841	1,884	1,868
	21,330	21,493	21,852	18,700	19,527	20,907	19,170	20,739	19,824	18,612	19,111	19,557	18,403	19,489	18,140
Capital assets	30,868	30,939	30,596	30,780	30,312	29,785	29,340	29,080	28,857	28,712	28,454	28,239	27,966	27,844	27,723
Goodwill and other intangibles	101,039	101,855	101,208	100,973	99,889	99,887	99,529	99,112	98,695	98,278	97,861	97,444	97,027	96,610	96,193
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	370	370	370	370	370	370	370	370	370	370	370	370	370	370	370
Deposit held in escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred charges	1,767	1,711	1,653	1,595	1,537	1,481	1,425	1,369	1,314	1,258	1,202	1,147	1,091	1,036	980
	155,373	156,367	155,679	152,417	151,635	152,429	149,835	150,671	149,060	147,230	146,998	146,757	144,857	145,349	143,406
<b>LIABILITIES</b>															
<b>CURRENT</b>															
Accounts payable	8,068	8,916	8,332	9,562	10,858	11,546	11,114	10,753	10,723	9,272	9,219	9,711	9,308	9,694	9,748
Accrued liabilities	6,079	6,656	7,617	7,303	7,141	7,443	6,330	7,713	6,886	7,046	7,314	7,500	6,681	7,019	5,895
Income taxes payable	(9)	(10)	(10)	(10)	(9)	(9)	(22)	(22)	(22)	(22)	(22)	(22)	(1,754)	(1,754)	(1,754)
Deferred revenue	6,625	6,591	6,454	6,620	6,686	6,617	6,526	6,696	6,416	6,263	6,266	5,980	5,959	6,154	5,815
Future income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	8,083	8,249	8,758	8,761	8,789	9,070	8,672	8,922	8,673	8,852	8,870	8,822	8,824	8,889	8,861
Current portion of long-term debt	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
	40,347	41,902	42,652	43,837	44,764	46,167	44,321	45,562	44,385	42,911	43,146	43,492	40,517	41,513	40,065
Future income taxes	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564
Long-term debt	51,516	51,740	51,942	49,916	50,139	50,371	50,597	50,833	51,072	51,306	51,550	51,789	52,038	52,290	52,529
Capital Required															
	98,429	100,206	101,158	100,320	101,468	103,102	101,482	102,960	102,022	100,781	101,260	101,845	99,120	100,367	99,158
<b>SHAREHOLDER'S EQUITY</b>															
Capital stock	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334	57,334
Contributed surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings (deficit)	(913)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)
Net income (loss)	(830)	(1,826)	(3,277)	(5,849)	(7,243)	(8,406)	(9,310)	(9,852)	(10,625)	(11,213)	(11,925)	(12,751)	(11,925)	(12,681)	(13,414)
Cumulative translation adjustments	1,352	2,398	2,206	2,354	1,819	2,141	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071	2,071
	56,944	56,162	54,521	52,097	50,167	49,327	48,353	47,711	47,038	46,450	45,738	44,912	45,737	44,982	44,246
	155,373	156,367	155,679	152,417	151,635	152,429	149,835	150,671	149,060	147,230	146,998	146,757	144,857	145,349	143,406
	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Working Capital Change (excluding taxes)</b>															
Accounts receivable	(11,709)	(321)	(1,558)	1,964	(299)	(659)	837	(378)	202	181	(80)	241	12	(297)	239
Prepaid expenses	(2,240)	(138)	351	(72)	157	(271)	43	28	62	37	(2)	69	4	(59)	80
Investment in subsidiaries	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory, deposits and other receivables	(1,886)	(158)	(55)	185	(299)	117	178	46	14	2	(3)	21	(3)	(43)	16
Accounts payable	8,068	848	(583)	1,330	995	888	(432)	(361)	(30)	(1,451)	(53)	492	(403)	386	54
Accrued liabilities	6,079	577	961	(313)	(163)	302	(1,113)	1,363	(818)	151	268	186	(820)	339	(1,124)
Deferred revenue	6,625	(35)	(136)	166	66	(69)	(91)	169	(279)	(154)	3	(286)	(2)	195	(339)
Other current liabilities	8,083	166	509	3	28	282	(198)	50	(49)	(21)	17	(47)	22	75	(39)
	13,021	938	(512)	3,262	486	590	(776)	938	(898)	(1,254)	151	677	(1,228)	597	(1,114)
Other reconciling items															
Amount per cash flow stmt	13,021	938	(512)	3,262	486	590	(776)	938	(898)	(1,254)	151	677	(1,228)	597	(1,114)

PT Holdco Inc.  
Consolidated Income Statement  
(000's)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
<b>REVENUE</b>	\$ -	\$ 14,601	\$ 14,480	\$ 14,616	\$ 14,171	\$ 14,402	\$ 14,236	\$ 13,930	\$ 14,080	\$ 13,863	\$ 13,934	\$ 13,741	\$ 13,626	\$ 13,424	\$ 13,349	\$ 13,340	\$ 13,094	\$ 13,083	\$ 13,419	\$ 13,203
Cost of sales	-	7,772	7,621	8,052	7,843	7,838	7,983	7,912	7,922	7,806	7,469	7,565	7,463	7,431	7,359	7,403	7,268	7,370	7,414	7,350
<b>GROSS MARGIN</b>	-	6,829	6,870	6,565	6,328	6,564	6,252	6,018	6,158	6,055	6,466	6,176	6,162	5,993	5,991	5,937	5,729	5,713	6,005	5,852
<b>SELLING, GENERAL AND ADMINISTRATIVE</b>																				
Salaries and benefits	-	2,793	2,520	2,790	2,745	2,655	3,198	2,983	3,176	3,063	3,171	2,820	4,994	4,861	4,794	4,849	4,776	4,828	4,974	4,834
Sales and marketing	-	968	900	918	1,058	868	1,059	971	1,060	869	700	584	-	-	-	-	-	-	-	-
Occupancy	-	364	366	360	365	381	401	379	364	371	376	365	-	-	-	-	-	-	-	-
Professional fees	-	467	548	667	596	940	600	523	590	440	395	404	-	-	-	-	-	-	-	-
Travel and entertainment	-	32	49	47	56	79	39	25	35	37	37	29	-	-	-	-	-	-	-	-
General and administrative	-	658	297	643	642	435	809	680	782	676	746	708	-	-	-	-	-	-	-	-
	-	5,281	4,680	5,425	5,452	5,367	6,108	5,562	6,006	5,456	5,427	4,911	4,994	4,861	4,794	4,849	4,776	4,828	4,974	4,834
<b>EBITDA</b>	-	1,548	2,190	1,140	876	1,198	145	457	151	599	1,038	1,265	1,168	1,132	1,197	1,088	952	885	1,031	1,018
Depreciation and amortization	-	1,337	1,366	1,350	1,295	1,325	1,324	1,330	1,345	1,365	1,313	1,299	1,224	1,217	1,211	1,207	1,199	1,194	1,186	1,183
<b>EARNINGS BEFORE UNDERNOTED</b>	-	212	824	(210)	(419)	(127)	(1,179)	(873)	(1,193)	(766)	(275)	(34)	(96)	(85)	(14)	(119)	(247)	(306)	(155)	(165)
Interest expense, net	-	488	485	509	460	500	776	418	577	479	560	594	586	589	574	593	579	599	601	569
Other expense/(income), net	-	9	85	17	9	14	8	130	841	110	314	89	-	-	-	-	-	-	-	-
Foreign exchange loss (gain)	-	67	(43)	7	(34)	(34)	(135)	28	(40)	37	6	168	-	-	-	-	-	-	-	-
Inter-company charges, net	-	563	528	533	434	480	649	575	1,378	626	881	851	586	589	574	593	579	599	601	569
<b>EARNINGS BEFORE TAXES</b>	-	(251)	297	(743)	(853)	(607)	(1,826)	(1,448)	(2,571)	(1,392)	(1,155)	(884)	(642)	(673)	(588)	(712)	(826)	(907)	(755)	(734)
Provision for (recovery of) income taxes	-	13	1	1	0	(47)	-	0	1	3	8	19	-	-	-	-	-	(1,733)	-	-
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	-	(265)	296	(744)	(853)	(607)	(1,826)	(1,448)	(2,572)	(1,394)	(1,163)	(903)	(642)	(673)	(588)	(712)	(826)	(907)	(755)	(734)
Retained earnings (deficit), beginning of period	-	484	119	415	(329)	(1,182)	(1,743)	(3,571)	(5,019)	(7,591)	(8,986)	(10,149)	(11,052)	(11,694)	(12,367)	(12,956)	(13,667)	(14,493)	(13,668)	(14,423)
Retained earnings (deficit), end of period	\$ 484	\$ 119	\$ 415	\$ (329)	\$ (1,182)	\$ (1,743)	\$ (3,571)	\$ (5,019)	\$ (7,591)	\$ (8,986)	\$ (10,149)	\$ (11,052)	\$ (11,694)	\$ (12,367)	\$ (12,956)	\$ (13,667)	\$ (14,493)	\$ (13,668)	\$ (14,423)	\$ (15,157)
						(913)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)	(1,743)
						(830)	(1,826)	(3,277)	(5,849)	(7,243)	(8,406)	(9,310)	(9,952)	(10,625)	(11,213)	(11,925)	(12,751)	(11,925)	(12,681)	(13,414)
						\$ 0	\$ (0)	\$ 0	\$ -	\$ -	\$ 0	\$ (0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**PT Holdco Inc.**  
**Consolidated Statement of Cash Flow**  
 (000's)

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	
Cash was provided by (used in) the following activities:																					
<b>OPERATIONS</b>																					
Net income (loss) for the period	-	(365)	296	(744)	(863)	(561)	(1,828)	(1,448)	(2,572)	(1,394)	(1,163)	(903)	(642)	(673)	(588)	(712)	(826)	825	(755)	(734)	
Add (deduct) items not affecting cash:																					
Depreciation and amortization	-	1,337	1,366	1,350	1,285	1,225	1,324	1,330	1,345	1,365	1,313	1,299	1,224	1,217	1,211	1,207	1,199	1,194	1,186	1,183	
Amortization of deferred charges	-	54	54	54	54	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	
Loss on other asset disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unrealized FX / CTA impact	-	-	-	-	-	-	(349)	68	(54)	209	(136)	(135)	-	-	-	-	-	-	-	-	
Income tax provision, net of cash taxes paid	-	13	1	1	0	(47)	(1)	0	(0)	0	(0)	(12)	-	-	-	-	-	(1,733)	-	-	
Changes in non-cash working capital items	-	-	-	-	-	-	938	(512)	3,262	486	590	(776)	938	(898)	(1,254)	151	677	(1,228)	597	(1,114)	
							140	(507)	2,036	722	659	(471)	1,576	(299)	(577)	701	1,106	(886)	1,084	(609)	
<b>FINANCING</b>																					
Sub Debt capitalization (Repayment)	-	-	-	-	-	68	222	202	226	221	231	226	236	239	234	244	239	249	252	238	
Proceeds (Repayments) on debt	-	-	(2,250)	-	-	250	-	-	(2,250)	-	-	-	-	-	-	-	-	-	-	-	
Additions to deferred financing charges	-	-	-	-	-	-	0	2	2	2	1	(0)	-	-	-	-	-	-	-	-	
Capital required	-	-	-	-	-	-	222	205	(2,021)	223	232	226	236	239	234	244	239	249	252	238	
<b>INVESTING</b>																					
Purchase of capital assets	-	(869)	(927)	(777)	(688)	(661)	(817)	(601)	(1,090)	(559)	(325)	(432)	(547)	(576)	(649)	(532)	(568)	(503)	(648)	(645)	
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase of intangible and other assets	-	-	-	-	-	-	(817)	(601)	(1,090)	(559)	(325)	(432)	(547)	(576)	(649)	(532)	(568)	(503)	(648)	(645)	
							(817)	(601)	(1,090)	(559)	(325)	(432)	(547)	(576)	(649)	(532)	(568)	(503)	(648)	(645)	
<b>Increase (decrease) in cash and cash equivalents</b>							(456)	(903)	(1,076)	386	566	(678)	1,265	(636)	(982)	413	778	(1,140)	688	(1,015)	
Cash and cash equivalents, beginning of period	-	7,620	5,810	2,517	4,806	5,110	5,495	5,040	4,137	3,062	3,448	4,014	3,336	4,602	3,966	2,974	3,368	4,165	3,025	3,713	
Cash and cash equivalents, end of period	7,620	5,810	2,517	4,806	5,110	5,495	5,040	4,137	3,062	3,448	4,014	3,336	4,602	3,966	2,974	3,368	4,165	3,025	3,713	2,698	
	-	-	-	-	-	-	(0)	(0)	(0)	0	(0)	(0)	-	-	-	-	-	-	-	-	
	7,620	5,810	2,517	4,806	5,110	5,495	5,040	4,137	3,062	3,448	4,014	3,336	4,602	3,966	2,974	3,368	4,165	3,025	3,713	2,698	

**SCHEDULE "D"**

**EXISTING DEFAULTS**

1. Section 9.01(f) of the Credit Agreement due to the failure by the Borrower to pay interest on the Subordinated Debt when due on January 31, 2015.
2. Failure to comply with Section 6.03(a)(i) of the Credit Agreement, being the Total Debt to EBITDA Ratio.
3. Failure to comply with Section 6.03(a)(ii) of the Credit Agreement, being the Senior Debt to EBITDA Ratio.
4. Failure to comply with Section 6.03(a)(iii) of the Credit Agreement, being the Fixed Charge Coverage Ratio.
5. Section 9.01(a) of the Credit Agreement due to the failure by the Borrower to pay the principal payment of \$2,250,000 due from the Borrower on June 30, 2015 pursuant to the Credit Agreement.



**SCHEDULE "E"**

**ANTICIPATED DEFAULTS**

None

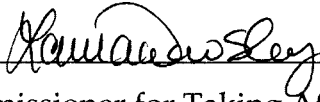
**TAB G**

**EXHIBIT "G"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016



\_\_\_\_\_  
Commissioner for Taking Affidavits

Laura Elizabeth Dowsley, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017.

**AMENDING AGREEMENT**

THIS AMENDING AGREEMENT (this "Agreement") is made as of October 30, 2015.

**BETWEEN:**

**BANK OF MONTREAL, as administrative agent for and on behalf of the Lenders (as hereafter defined),**

**(the "Agent")**

- and -

**Each Lender Party to the Credit Agreement (as defined below),**

**(the "Lenders")**

- and -

**PRIMUS TELECOMMUNICATIONS CANADA INC.,**

**(the "Borrower")**

- and -

**PT HOLDCO, INC.,**

**(the "Guarantor")**

- and -

**PTUS, INC.,**

**(the "Guarantor")**

- and -

**PRIMUS TELECOMMUNICATIONS, INC.,**

**(the "Guarantor")**

- and -

- 2 -

LINGO, INC.,  
(the "Guarantor")

- and -

PT HOLDCO, INC.,  
(the "Guarantor").

**RECITALS:**

**WHEREAS** the Borrower, the Agent, the Lenders and the Guarantors are parties to a credit agreement dated as of July 31, 2013 (including an amending agreement dated as of September 23, 2014 and any other amendments to the date hereof, the "Credit Agreement");

**AND WHEREAS** the Borrower is in default under the Credit Agreement;

**AND WHEREAS** the Borrower has agreed to pursue a sale and investor solicitation process on a going concern basis as the most viable means of maximizing value for its stakeholders;

**AND WHEREAS** the Lenders are supportive of the Borrower pursuing such a sale and investor solicitation process;

**AND WHEREAS** the Parties entered into a Support Agreement dated as of August 31, 2015 (the "Support Agreement");

**AND WHEREAS** the Parties wish to amend the Support Agreement as provided for herein;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

1. **Definitions**

Terms used in this Agreement (including the recitals hereto) and are not otherwise defined herein have the same meanings herein as in the Support Agreement. The term "Support Agreement" includes this Agreement. The term "including" means "including without limitation".

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2. **Amendments**

- (a) Section 5(c) and 5(d) of the Support Agreement shall be amended as follows:
  - (c) be in receipt of one or more Bids (as defined in the SISP) on or before November 16, 2015;
  - (d) enter into binding agreement(s) with the Successful Bidder(s) (as defined in the SISP) on or before December 14, 2015; and
- (b) The SISP is amended and restated as provided for in Schedule "A".

3. **Confirmation**

The Support Agreement, as amended by this Agreement, is hereby confirmed and shall continue in full force and effect.

4. **Applicable Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

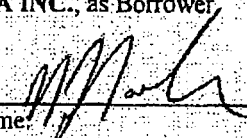
5. **Counterparts**

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

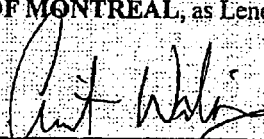
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BANK OF MONTREAL, as Agent**

by \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BANK OF MONTREAL, as Lender**


by   
Name: **AMIT WALIA**  
Title: **SENIOR MANAGER**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_



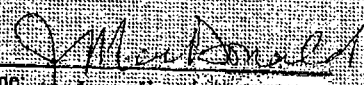
IN WITNESS WHEREOF, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BANK OF MONTREAL, as Agent**

by   
Name: \_\_\_\_\_  
Title: **Jeanette MacDonald  
Director**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_



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**HSBC BANK CANADA, as Lender**

by

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**PT HOLDCO, INC., as Guarantor**

by

\_\_\_\_\_  
Name:  
Title:



\_\_\_\_\_  
Name:  
Title:

- 2 -

**HSBC BANK CANADA, as Lender**

by \_\_\_\_\_

Name:  
Title:

Name:  
Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_

Name: *Michael D. Smith*  
Title: *Deputy Chief Financial Officer*

Name: *Mark Blain*  
Title: *Assistant Manager  
ASSET MANAGEMENT*

**PT HOLDCO INC. as Guarantor**


by \_\_\_\_\_

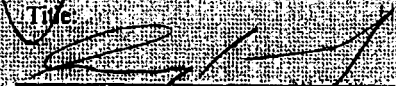
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-2-

**HSBC BANK CANADA, as Lender**

by   
 Name: JOHN H. PORCH  
 Title: ASSISTANT VICE PRESIDENT  
 HSBC BANK CANADA


  
 Name: STEPHEN G. WAYLAND  
 Title: ASSISTANT VICE PRESIDENT

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

\_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**FT HOLDCO, INC., as Guarantor**

by   
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

\_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_




- 3 -

**PTUS, INC., as Guarantor**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PRIMUS TELECOMMUNICATIONS,  
INC., as Guarantor**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LINGO, INC., as Guarantor**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

### SALE AND INVESTOR SOLICITATION PROCESS

1. The purpose of the SISP is to identify one or more financiers, purchasers of and/or investors in the Primus Group's Business and/or Property (each as defined herein) with a completion date of a transaction or transactions no later than December 31, 2015.
2. Set forth below are the procedures (the "SISP Procedures") to be followed with respect to the SISP and, if there is a Successful Bid or Successful Bids (as defined herein), to complete the transactions contemplated by such Successful Bid(s).

#### **Defined Terms**

3. Capitalized terms used but not otherwise defined in these SISP Procedures shall have the following meaning:

"**Company**" means Primus Telecommunications Canada Inc.

"**Data Room**" means an electronic data room compiled and maintained by the Company containing confidential information in respect of the Primus Group, the Business and the Property.

"**First Secured Debt**" means all of the indebtedness owing pursuant to the Credit Agreement.

"**NDA**" means a non-disclosure and standstill agreement in form and substance satisfactory to the Company.

"**Portion Bid**" means a Bid for less than all or substantially all of the Property that is otherwise a Qualified Bid.

"**Portion Bidder**" means a Qualified Bidder that submits a Portion Bid.

"**Primus Group**" means the Company together with its subsidiaries and affiliates.

"**Sale Advisor**" means an investment banker engaged by the Company to assist with the implementation of the SISP.

#### *Solicitation Process*

4. The SISP Procedures set forth herein describe the manner in which Interested Parties (as defined in paragraph 6 below) may gain access to or continue to have access to due diligence materials concerning the Primus Group, its business and operations (the "**Business**") and its assets, undertakings and properties (collectively, the "**Property**"), the manner in which a bid becomes a Qualified Bid (as defined herein), the receipt and negotiation of Qualified Bids received, the ultimate selection of Successful Bid(s) and/or Alternate Bids(s) (as defined in Appendix B).
5. The Company shall have overall supervision of the SISP Procedures and shall lead the process with the support and assistance of its advisors.

6. The Company, with the assistance of the Sale Advisor, compiled a listing of prospective financiers, investors and/or purchasers (together with others expressing an interest in the Business and/or Property, the "**Interested Parties**"). The Sale Advisor used its best efforts to contact all Interested Parties to introduce the opportunity for investment in or the acquisition of the Business or Property and provided a "teaser" describing the opportunity to finance, acquire or invest in the Primus Group or to acquire some, all or substantially all of the Business or the Property to each Interested Party that expresses an interest in receiving such teaser.
7. Interested Parties were invited to a management presentation upon execution of an NDA.
8. At the discretion of the Company, any Interested Parties that have executed an NDA and provided a non-binding letter of intent will be provided with a form of definitive purchase agreement (the "**Template Purchase Agreement**") to be used in submitting a Bid for the acquisition for some or all of the Property and provided access to the Data Room.

#### *Due Diligence From Qualified Bidders*

9. Each Qualified Bidder shall comply with all reasonable requests for additional information by the Company regarding such Qualified Bidder and its contemplated transaction. Failure by a Qualified Bidder to comply with requests for additional information will be a basis for the Company to disqualify the Qualified Bidder.

#### **Deadlines**

##### *Bid Deadline*

10. A Qualified Bidder, if it wishes to submit a binding offer, must deliver an original executed copy of a comprehensive, final and binding proposal (a "**Bid**") to the Company at the address specified in Appendix A hereto (including by email) so as to be received by the Company by not later than 12:00 p.m. (Eastern Time) on November 16, 2015, or such other later date or time as may be set by the Company (the "**Bid Deadline**").

#### **Participant Requirements**

11. To participate in the process detailed by these SISP Procedures and to otherwise be considered for any purpose hereunder, an Interested Party must submit a Bid and each bidder submitting a Bid (a "**Qualified Bidder**") must be determined by the Company to have satisfactorily provided the Company with each of the following on or before the Bid Deadline (collectively, the "**Participant Requirements**"):
  - (a) Execution of the Bid by the Qualified Bidder's chief executive officer or other appropriate senior executive or evidence that such officer has approved the Bid; provided, however, that, if the Qualified Bidder is an entity specially formed for the purpose of effectuating the contemplated transaction, then the Qualified Bidder must furnish written evidence reasonably acceptable to the Company of the approval of the Bid by the equity holder(s) of such Qualified Bidder and any guarantor of the bid; and

- (b) An executed NDA.
- (c) A letter stating that the Bid is irrevocable until the later of (i) the selection of the Successful Bidder (as defined herein) and (ii) thirty (30) calendar days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder or the Alternate Bidder (as defined in Appendix B), its Bid shall remain irrevocable until the closing of the sale to the Successful Bidder or to the Alternate Bid Expiration Date (as defined below), as applicable;
- (d) It includes:
  - (i) in the case of a Bid to purchase the Business or any or all of the Property, a duly authorized and executed definitive purchase agreement substantially in the form of the Template Purchase Agreement containing the detailed terms and conditions of the proposed transaction, including identification of the Business or the Property proposed to be acquired, the purchase price for the Business or Property proposed to be acquired (the "**Purchase Price**"), the detailed structure and financing of the proposed transaction, together with a red line comparing the purchase agreement submitted to the Template Purchase Agreement; or
  - (ii) in the case of an offer to make an investment in the Primus Group, a duly authorized and executed term sheet describing the detailed terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Primus Group following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Primus Group, the treatment of the First Secured Debt (including what portion of the First Secured Debt will be paid on closing) and the debt, equity, or other securities, if any, proposed to be allocated to other creditors of the Primus Group;
- (e) It includes written evidence upon which the Company may reasonably conclude that the Qualified Bidder has the necessary financial ability to close the contemplated transaction and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction. Such information should include, among other things, the following:
  - (iii) evidence of the Qualified Bidder's internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated transaction;
  - (iv) contact names and numbers for verification of financing sources; and

- (v) any such other form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Company demonstrating that such Qualified Bidder has the ability to close the contemplated transaction;
- (f) It indicates whether regulatory approval is anticipated to be required;
- (g) It is not conditioned on (i) the outcome of unperformed due diligence and/or (ii) obtaining financing;
- (h) It fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the bid, including whether any prior or current member of the Company's board, management, any employee or consultant to the Company or any creditor (including any of the Lenders) or shareholder of the Company is involved in any way with the bid or assisted with the bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the bid;
- (i) It includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly provided in a definitive agreement;
- (j) It includes evidence, in form and substance reasonably satisfactory to the Company, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid, and identifies any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (k) It does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (l) It is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Company), or such other form acceptable to the Company, payable to the order of the Company, in trust, (i) if the total consideration is quantifiable, in an amount equal to 5% of the cash consideration of the Bid which Deposit shall be held and dealt with in accordance with these SISP Procedures;
- (m) It contains such other information as may reasonably be requested by the Company; and



- (n) It is received by the Bid Deadline.
12. The Company may waive any one or more minor or immaterial violations of the requirements specified for Qualified Bids and deem such non-compliant bids to be Qualified Bids.

#### **Evaluation of Qualified Bids and Subsequent Actions**

13. The Company shall evaluate Qualified Bids on various grounds including, but not limited to, the purchase price or imputed value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable) and any delay or other risks (including closing risks) in connection with the Qualified Bids. Following that evaluation, the Company may:
- (a) Accept one (or more than one, if for distinct and compatible transactions) of the Qualified Bids (each a "**Successful Bid**" and the offeror(s) making such Successful Bid being a "**Successful Bidder**") and take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid(s) with Successful Bidder(s);
  - (b) Continue negotiations with selected Qualified Bidders (collectively, the "**Selected Bidders**") with a view to finalizing acceptable terms with one (or more than one, if for distinct and compatible transactions) of the Qualified Bidders; or
  - (c) Pursue an auction in accordance with the procedures set out in the attached Appendix B (an "**Auction**") if more than one Qualified Bid for the same Property or aspects of the Business has been received or if the Company otherwise determines that an Auction is appropriate under the circumstances.
14. The Company shall be under no obligation to accept the highest or best offer or any offer or to pursue or hold an Auction or to select any Successful Bidder(s) and any Alternate Bidder(s).
15. If a Successful Bidder fails to consummate a transaction related to the Property or portion thereof for any reason, then the Alternate Bid will be deemed to be the Successful Bid for the Property or portion thereof and the Company will proceed with the transaction pursuant to the terms of the Alternate Bid. Alternate Bids shall remain open for acceptance until the completion of the transaction(s) with the Successful Bidder(s) (the "**Alternate Bid Expiration Date**").
16. All Qualified Bids (other than the Successful Bid(s) and the Alternate Bid(s)) shall be deemed rejected by the Company on and as of the date of the execution of definitive documents with respect to the transactions contemplated by the Successful Bid(s) by the Company.
17. If no Qualified Bids are received by the Bid Deadline or if no Qualified Bid(s) are accepted or if no Successful Bidder(s) have been selected or no Auction has been pursued by the Company by December 14, 2015, the SISP shall automatically terminate. If no

transaction has been successfully consummated with the Successful Bidder by December 31, 2015, the SISP shall automatically terminate.

### **Deposits**

18. All Deposits shall be held in a single account designated solely for such purpose. A Deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits paid by Qualified Bidders not selected as either a Successful Bidder or an Alternate Bidder shall be returned to such Qualified Bidders within three (3) Business Days of the date upon which definitive documents in respect of a Successful Bid are executed by the Company. In the case of an Alternate Bid, the Deposit shall be retained until the Alternate Bid Expiration Date and returned to the Alternate Bidder within three (3) Business Days thereafter or, if an Alternate Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Alternate Bid.

### **"As Is, Where Is"**

19. Any sale of the Business and/or Property or any investment in the Primus Group will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Primus Group or its advisors or any of their agents or estates, except to the extent otherwise provided under any definitive sale or investment agreement with a Successful Bidder executed by the Company. Neither the Company nor its advisors or any of their agents or estates makes any representation or warranty as to the information contained in the teaser, the management presentation or in the Data Room, except to the extent otherwise provided under any definitive sale or investment agreement with a Successful Bidder executed by the Company. Each Qualified Bidder is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business and Property prior to making its offer, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or the Business and Property in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business and Property, or the completeness of any information provided in connection therewith or the Auction.

### **No Obligation to Conclude a Sale**

20. The Company shall have no obligation to agree to conclude a sale or investment arising out of the SISP, and reserves the right and unfettered discretion to reject any offer or other proposal made in connection with the SISP. In addition, the Company may at any time terminate these SISP Procedures, and shall provide notice of any such termination to any Qualified Bidders.

### **Information**

21. Notwithstanding anything else in these SISP Procedures, to the extent that any director, officer or employee of, or any consultant to, the Company or any of its subsidiaries, or any

entity controlled by such person, either individually or jointly with another Interested Party, submits a Bid, participates at the Auction as a bidder, or is directly or indirectly involved with or assisting any Interested Party that is contemplating submitting a Bid, submits a Bid, is deemed a Qualified Bidder, or participates at the Auction as a bidder, such person shall no longer from the first applicable point forward (i) be included in any discussions or deliberations in connection with these SISP Procedures, including any decision making of the Company in respect of any matter on which the Company's consent is required or (ii) receive any information under these SISP Procedures.

#### **Communications**

22. All Interested Parties and any bidders shall direct all communications or discussions with respect to these SISP Procedures, including but not limited to, any requests for information about the Company and the Property or Business or with respect to the terms or conditions of any proposed or actual bid, or the status of any such bids, directly to the Sale Advisor.

#### **Modifications and Reservations**

23. The Company reserves the right to amend or modify these SISP Procedures.
24. These SISP Procedures do not, and will not be interpreted to, create any contractual or other legal relationship between the Company or its advisors and any Qualified Bidder, other than, with respect to the Company, as specifically set forth in a definitive agreement executed by the Company.

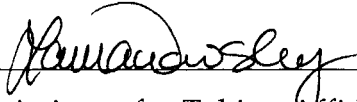
**TAB H**

**EXHIBIT "H"**

referred to in the Affidavit of

**MICHAEL NOWLAN**

Sworn January 18, 2016



Commissioner for Taking Affidavits

Laura Elizabeth Dowsley, a Commissioner, **en.**  
Province of Ontario, while a Student-at-Law.  
Expires April 1, 2017.

**SECOND AMENDING AGREEMENT TO SUPPORT AGREEMENT**

THIS SECOND AMENDING AGREEMENT TO SUPPORT AGREEMENT  
(this "Agreement") is made as of January 18, 2016.

BETWEEN:

**BANK OF MONTREAL, as administrative  
agent for and on behalf of the Lenders (as  
hereafter defined),**

(the "Agent")

- and -

**Each Lender Party to the Credit Agreement  
(as defined below),**

(the "Lenders")

- and -

**PRIMUS TELECOMMUNICATIONS  
CANADA INC.,**

(the "Borrower")

- and -

**PT HOLDCO, INC.,**

(the "Guarantor")

- and -

**PTUS, INC.,**

(the "Guarantor")

- and -

**PRIMUS TELECOMMUNICATIONS, INC.,**

(the "Guarantor")

- and -

- 2 -

**LINGO, INC.,**  
(the "Guarantor")

- and -

**PT HOLDCO, INC.,**  
(the "Guarantor").

**RECITALS:**

**WHEREAS** the Borrower, the Agent, the Lenders and the Guarantors are parties to a credit agreement dated as of July 31, 2013 (including an amending agreement dated as of September 23, 2014 and any other amendments to the date hereof, the "**Credit Agreement**");

**AND WHEREAS** the Borrower is in default under the Credit Agreement;

**AND WHEREAS** the Borrower has agreed to pursue a sale and investor solicitation process on a going concern basis as the most viable means of maximizing value for its stakeholders;

**AND WHEREAS** the Lenders are supportive of the Borrower pursuing such a sale and investor solicitation process;

**AND WHEREAS** the Parties entered into a Support Agreement dated as of August 31, 2015, as amended by an Amending Agreement dated as of October 30, 2015 (the "**Support Agreement**");

**AND WHEREAS** the Parties wish to make certain amendments to the Support Agreement as provided for herein;

**NOW THEREFORE**, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

1. **Definitions**

Terms used in this Agreement (including the recitals hereto) and are not otherwise defined herein have the same meanings herein as in the Support Agreement. The term "Support Agreement" includes this Agreement. The term "including" means "including without limitation".

2. **Amendments**

(a) Section 5(c), 5(d) and 5(e) of the Support Agreement shall be amended as follows:

- 3 -

- (c) be in receipt of one or more Bids (as defined in the SISP) on or before December 23, 2015;
  - (d) enter into binding agreement(s) with the Successful Bidder(s) (as defined in the SISP) on or before January 19, 2016;
  - (e) close all agreement(s) and transactions with the Successful Bidder(s) (as defined in the SISP) on or before February 29, 2016;
- (b) Section 8(i) shall be amended as follows:
- (i) if a Transaction has not been completed by February 29, 2016, or such later date as may be agreed to by the Agent and the Borrower (the "**Outside Date**").

3. **Confirmation**

The Support Agreement, as amended by this Agreement, is hereby confirmed and shall continue in full force and effect.

4. **Applicable Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5. **Counterparts**

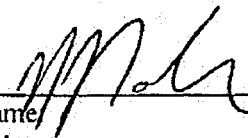
This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]



**IN WITNESS WHEREOF**, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL, as Agent**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_  
Name:  
Title:

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Name:  
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- 2 -

**HSBC BANK CANADA, as Lender**

by \_\_\_\_\_  
Name:  
Title:

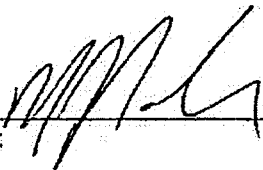
\_\_\_\_\_  
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Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

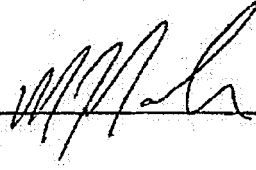
**PT HOLDCO, INC., as Guarantor**

by  \_\_\_\_\_  
Name:  
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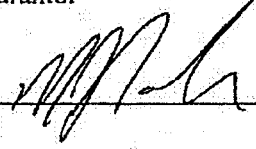
- 3 -

**PTUS, INC., as Guarantor**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

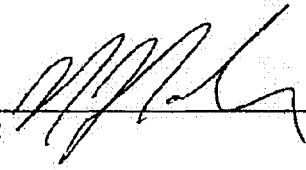
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Title:

**PRIMUS TELECOMMUNICATIONS,  
INC., as Guarantor**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:

**LINGO, INC., as Guarantor**

by   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by \_\_\_\_\_  
Name:  
Title:

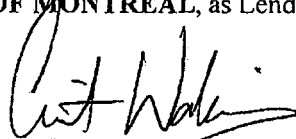
\_\_\_\_\_  
Name:  
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**BANK OF MONTREAL, as Agent**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL, as Lender**

by  \_\_\_\_\_  
Name: **AMIT WALIA**  
Title: **SENIOR MANAGER**

\_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have executed this Agreement.

**PRIMUS TELECOMMUNICATIONS  
CANADA INC., as Borrower**

by \_\_\_\_\_  
Name:  
Title:  
  
\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL, as Agent**

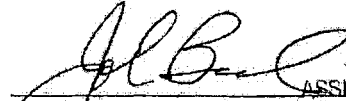
by J Mac Donald  
Name: Jeannette MacDonald  
Title: Director  
  
\_\_\_\_\_  
Name:  
Title:

**BANK OF MONTREAL, as Lender**

by \_\_\_\_\_  
Name:  
Title:  
  
\_\_\_\_\_  
Name:  
Title:

- 2 -

**HSBC BANK CANADA, as Lender**

by  **JOHN R. BORCH**  
 ASSISTANT VICE PRESIDENT  
 HSBC BANK CANADA

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

\_\_\_\_\_

Name: **STEPHEN G. WAYLAND**  
 Title: **ASSISTANT VICE PRESIDENT**

**ALBERTA TREASURY BRANCHES,**  
as Lender

by \_\_\_\_\_

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**PT HOLDCO, INC., as Guarantor**

by \_\_\_\_\_

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

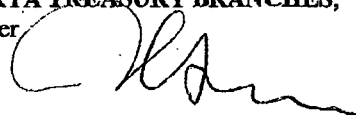
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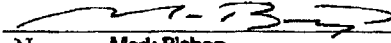
**HSBC BANK CANADA, as Lender**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**ALBERTA TREASURY BRANCHES,  
as Lender**

by   
Name: BRUCE STANG  
Title: DIRECTOR - ASSET MANAGEMENT

  
Name: Mark Bishop  
Title: Account Manager  
ASSET MANAGEMENT

**PT HOLDCO, INC., as Guarantor**

by \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**TAB 3**



Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE MR. ) TUESDAY, THE 19th  
 )  
JUSTICE PENNY ) DAY OF JANUARY, 2016

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC

INITIAL ORDER

THIS APPLICATION, made by PT Holdco, Inc. ("Holdco"), Primus Telecommunications Canada Inc. ("Primus Canada"), PTUS, Inc. ("PTUS"), Primus Telecommunications, Inc. ("PTI") and Lingo, Inc. ("Lingo", and together with PTUS, PTI, Holdco and Primus Canada, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn January 18, 2016 and the Exhibits thereto (the "Nowlan Affidavit"), the Pre-Filing Report of FTI Consulting Canada Inc., as proposed monitor, (the "Pre-Filing Report") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the proposed Monitor, no one appearing for any other party although duly served as appears from the affidavit of service filed, and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

**APPLICATION**

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

**PLAN OF ARRANGEMENT**

3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

**POSSESSION OF PROPERTY AND OPERATIONS**

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Nowlan Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management

System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits (including, without limitation, any amounts relating to the provision of employee medical, dental and similar benefit plans or arrangements), vacation pay and expenses, and similar amounts owed to independent contractors, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) all outstanding and future insurance premiums (including property and casualty, group insurance policy, director and officers liability insurance, or other necessary insurance policy);
- (c) all outstanding or future amounts owing in respect of customer rebates, refunds, discounts or other amounts on account of similar customer programs or obligations other than any refunds arising as a result of termination or cancellation of customer agreement or services; and
- (d) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise

may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

#### **RESTRUCTURING**

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate.
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the

landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

14. **THIS COURT ORDERS** that until and including February 18, 2016, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the

foregoing, collectively being “Persons” and each being a “Person”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, credit card services provided by Chase Paymentech Solutions, Inc. or other credit card processors, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants without having to provide any security deposit or any other security in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$3.1 million, as security for the indemnity provided in paragraph 20 of this Order. The D&O Charge shall have the priority set out in paragraphs 32 and 34 herein.



22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

#### **APPOINTMENT OF MONITOR**

23. **THIS COURT ORDERS** that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of their powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) liaise with Assistants, to the extent required, with respect to all matters relating to the Property, the Business and such other matters as may be relevant to the proceedings herein;
- (c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;

- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) assist the Applicants, to the extent required by the Applicants, with their restructuring activities and/or any sale of the Property and the Business or any part thereof;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) hold and administer funds in accordance with arrangements among any of the Applicants, any Person and the Monitor, or by Order of this Court; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario*

*Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, including for greater certainty in the Monitor's capacity as “foreign representative”, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers in the amounts of \$1,000,000 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and their legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, Canadian and US counsel to the Monitor, and the Applicants' Canadian and US counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 32 and 34 herein.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

32. **THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000); and

Second – D&O Charge (to the maximum amount of \$3,100,000).

33. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge and the D&O Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. **THIS COURT ORDERS** that each of the Administration Charge and the D&O Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person that has not been served with notice of this order.

35. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants

also obtain the prior written consent of the Monitor, and the beneficiaries of the Administration Charge or the D&O Charge, as applicable, or further Order of this Court.

36. **THIS COURT ORDERS** that the Administration Charge and the D&O Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicants pursuant to this Order, , and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

## CHAPTER 15 PROCEEDINGS

38. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered, but not required, to act as the foreign representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada including, if deemed advisable by the Monitor, to apply for recognition of these proceedings in the United States pursuant to Chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101- 1532 and to take such other steps as may be authorized by the Court and any ancillary relief in respect thereto.

## SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner (provided that the list shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual), all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<http://cfcanada.fticonsulting.com/primus>’.

41. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

42. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

43. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

44. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

45. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a

representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

46. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

47. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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**TAB A**

Revised: January 21, 2014

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ~~\_\_\_\_\_~~ MR. ) ~~WEEKDAY~~ TUESDAY, THE #19th  
 )  
 JUSTICE ~~\_\_\_\_\_~~ PENNY ) DAY OF MONTH JANUARY, 20YR 2016

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
[APPLICANT'S NAME] (the "Applicant") PT HOLDCO, INC., PRIMUS  
TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS  
TELECOMMUNICATIONS, INC., AND LINGO, INC**

**INITIAL ORDER**

**THIS APPLICATION**, made by the ~~Applicant~~ PT Holdco, Inc. ("Holdco"), Primus Telecommunications Canada Inc. ("Primus Canada"), PTUS, Inc. ("PTUS"), Primus Telecommunications, Inc. ("PTI") and Lingo, Inc. ("Lingo"), and together with PTUS, PTI, Holdco and Primus Canada, the "Applicants", pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the affidavit of [NAME] Michael Nowlan sworn [DATE] January 18, 2016 and the Exhibits thereto, (the "Nowlan Affidavit"), the Pre-Filing Report of FTI Consulting Canada Inc., as proposed monitor, (the "Pre-Filing Report") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for [NAMES] the Applicants and the proposed Monitor, no one appearing for [NAME]<sup>†</sup> any other party although duly served as appears from

<sup>†</sup> Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).

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the affidavit of service of ~~[NAME]~~ sworn ~~[DATE]~~filed, and on reading the consent of ~~[MONITOR'S NAME]~~FTI Consulting Canada Inc. to act as the Monitor,

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated<sup>2</sup> so that this Application is properly returnable today and hereby dispenses with further service thereof.

#### **APPLICATION**

2. **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~Applicants are companies to which the CCAA applies.

#### **PLAN OF ARRANGEMENT**

3. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

#### **POSSESSION OF PROPERTY AND OPERATIONS**

4. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the "Business") and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such

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<sup>2</sup> If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

further Assistants as it ~~deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. {**THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the central cash management system<sup>3</sup> currently in place as described in the Nowlan Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}

6. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee ~~and pension~~ benefits (including, without limitation, any amounts relating to the provision of employee medical, dental and similar benefit plans or arrangements), vacation pay and expenses, and similar amounts owed to independent contractors, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

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<sup>3</sup> ~~This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

- (b) all outstanding and future insurance premiums (including property and casualty, group insurance policy, director and officers liability insurance, or other necessary insurance policy);
- (c) all outstanding or future amounts owing in respect of customer rebates, refunds, discounts or other amounts on account of similar customer programs or obligations other than any refunds arising as a result of termination or cancellation of customer agreement or services; and
- (d) ~~(b)~~ the reasonable fees and disbursements of any Assistants retained or employed by the ApplicantApplicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ApplicantApplicants shall be entitled but not required to pay all reasonable expenses incurred by the ApplicantApplicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ApplicantApplicants following the date of this Order.

8. **THIS COURT ORDERS** that the ApplicantApplicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ApplicantApplicants in connection with the sale of goods and services by the ApplicantApplicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ApplicantApplicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed ~~for~~ **resiliated**<sup>4</sup> in accordance with the CCAA, the ApplicantApplicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ApplicantApplicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the ApplicantApplicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ApplicantApplicants to any of ~~its~~ their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~ their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

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<sup>4</sup>The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

**RESTRUCTURING**

11. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the ~~Definitive Documents (as hereinafter defined)~~, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, ~~and to dispose of redundant or non-material assets not exceeding \$•100,000 in any one transaction or \$•1,000,000 in the aggregate~~<sup>5</sup>;
- (b) ~~terminate the employment of such of its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate; and
- (c) pursue all avenues of refinancing of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

12. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the ~~Applicant's~~Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the ~~Applicant~~Applicants, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant~~Applicants ~~disclaims~~for-resiliates the lease governing such leased

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<sup>5</sup> Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

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premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~for resiliation~~ of the lease shall be without prejudice to the Applicant's Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer ~~for resiliation~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer ~~for resiliation~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer ~~for resiliation~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANT APPLICANTS OR THE PROPERTY**

14. **THIS COURT ORDERS** that until and including [~~DATE — MAX. 30 DAYS~~], February 18, 2016, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant Applicants and the



Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Applicants to carry on any business which the ~~Applicant is~~Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~Applicants, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, credit card services provided by Chase Paymentech Solutions, Inc. or other credit card processors, utility or other services to the Business or the ~~Applicant~~Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant~~Applicants, and that the ~~Applicant~~Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~Applicants without having to provide any security deposit or any other security in accordance with normal payment practices of the ~~Applicant~~Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Applicants and the Monitor, or as may be ordered by this Court.

**NON-DEROGATION OF RIGHTS**

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.<sup>6</sup>

**PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

**DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

20. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,<sup>7</sup> except to the extent

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<sup>6</sup> This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).

<sup>7</sup> The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.

that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "~~Directors'~~D&O Charge")<sup>8</sup> on the Property, which charge shall not exceed an aggregate amount of \$~~3.1~~3.1 million, as security for the indemnity provided in paragraph {20} of this Order. The ~~Directors'~~D&O Charge shall have the priority set out in paragraphs ~~{38}~~{32} and ~~{40}~~{34} herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the ~~Directors'~~D&O Charge, and (b) the ~~Applicant's~~Applicants' directors and officers shall only be entitled to the benefit of the ~~Directors'~~D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph {20} of this Order.

#### **APPOINTMENT OF MONITOR**

23. **THIS COURT ORDERS** that ~~{MONITOR'S NAME}~~FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of ~~its~~their powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

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<sup>8</sup> Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.

- (a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;
- (b) ~~liaise with Assistants, to the extent required, with respect to all matters relating to the Property, the Business and such other matters as may be relevant to the proceedings herein;~~
- (c) ~~(b)~~ report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (e) ~~assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (d) advise the ~~Applicant~~Applicants in ~~its~~their preparation of the ~~Applicant's~~ cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the ~~DIP Lender~~Applicants' cash flow statements;
- (e) advise the ~~Applicant~~Applicants in ~~its~~their development of the Plan and any amendments to the Plan;
- (f) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;

- (h) ~~assist the Applicants, to the extent required by the Applicants, with their restructuring activities and/or any sale of the Property and the Business or any part thereof;~~
- (i) ~~(h)~~-be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (j) ~~hold and administer funds in accordance with arrangements among any of the Applicants, any Person and the Monitor, or by Order of this Court; and~~
- (k) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

25. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

27. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicant and the DIP Lender Applicants with information provided by the Applicant Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant Applicants may agree.

28. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, including for greater certainty in the Monitor's capacity as "foreign representative", save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant whether incurred prior to or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicant is Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant Applicants on a [TIME INTERVAL] weekly basis and, in addition, the Applicant is Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant Applicants, retainers in the amount(s) amounts of \$●†, respectively, 1,000,000 to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its their legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that the Monitor, Canadian and US counsel to the Monitor, if any, and the Applicant's Applicants' Canadian and US counsel shall be entitled to the benefit of

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and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$~~●~~, 1,000,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~ and ~~[40]~~ hereof.

#### ~~DIP FINANCING~~

~~32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs ~~[38]~~ and ~~[40]~~ hereof.~~

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

- (a) ~~the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~
- (b) ~~upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~
- (c) ~~the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

37. ~~THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents<sup>32</sup> and 34 herein.~~

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

~~32.~~ 38. ~~THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's D&O Charge, as among them, shall be as follows<sup>9</sup>:~~

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<sup>9</sup> ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now~~



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First - Administration Charge (to the maximum amount of \$~~1,000,000~~); and

Second - ~~DIP Lender's Charge~~; and ~~Third - Directors' D&O Charge~~ (to the maximum amount of \$~~3,100,000~~).

33. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge and the DIP Lender's D&O Charge~~ (collectively, the "~~Charges~~") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

34. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's D&O Charge~~ (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "~~Encumbrances~~") in favour of any Person that has not been served with notice of this order.

35. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ Charges, unless the Applicant Applicants also ~~obtains~~ obtain the prior written consent of the Monitor, the ~~DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge or the D&O Charge~~, as applicable, or further Order of this Court.

36. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's D&O Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "~~Chargees~~") and/or the ~~DIP Lender~~) thereunder shall

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permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.

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not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the ApplicantApplicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall not create or be deemed to constitute a breach by the ApplicantApplicants of any Agreement to which it is a party;~~
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents;~~ and
- (c) the payments made by the ApplicantApplicants pursuant to this Order, the ~~Commitment Letter or the Definitive Documents~~, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

37. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant'sApplicants' interest in such real property leases.

#### CHAPTER 15 PROCEEDINGS

38. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered, but not required, to act as the foreign representative in respect of the within proceedings for the purpose

of having these proceedings recognized in a jurisdiction outside of Canada including, if deemed advisable by the Monitor, to apply for recognition of these proceedings in the United States pursuant to Chapter 15 of Title 11 of the United States Code, 11 U.S.C. §§ 101- 1532 and to take such other steps as may be authorized by the Court and any ancillary relief in respect thereto.

#### **SERVICE AND NOTICE**

39. 44.—**THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~{newspapers specified by the Court}~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner (provided that the list shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual), all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

40. 45.—**THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ~~‘< i f >~~http://cfcanda.fticonsulting.com/primus’.

41. 46.—**THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor ~~are~~be at liberty to serve or distribute this Order, any other materials and orders in these proceedings,

any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or ~~facsimile~~electronic transmission to the ~~Applicant's~~Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants and that any such service or ~~distribution~~notice by courier, personal delivery or ~~facsimile~~electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### GENERAL

42. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of ~~its~~their powers and duties hereunder.

43. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Applicants, the Business or the Property.

44. ~~49.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the ~~Applicant~~Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

45. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

20

46. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

47. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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Document comparison by Workshare Professional on Monday, January 18, 2016  
1:02:50 PM

<b>Input:</b>	
Document 1 ID	file://C:\Users\esawk\Desktop\intitial-order-CCAA-EN.doc
Description	intitial-order-CCAA-EN
Document 2 ID	PowerDocs://SETOR1/6423313/7
Description	SETOR1-#6423313-v7-Primus.CCAA.InitialOrder
Rendering set	standard

<b>Legend:</b>	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
	Count
Insertions	241
Deletions	302
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	545

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

Court File No. \_\_\_\_\_

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**APPLICATION RECORD  
(RETURNABLE JANUARY 19, 2016)**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

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**Lawyers for the Applicants**

# **EXHIBIT H**



Court File No.: CV-16-11257

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF PT HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS,  
INC., PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.**

**Applicants**

**AFFIDAVIT OF JIM OSLER  
(SWORN FEBRUARY 2, 2016)**

I, JIM OSLER, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am one of the founders and a principal of Origin Merchant Partners ("**Origin**"), the financial advisor to the Applicants (the "**Financial Advisor**"). As such I have knowledge of the matters to which I hereinafter depose, save for matters based on information and belief in which case I verily believe them to be true.
2. I, together with six other senior banking professionals founded Origin in 2011 and today it is one of the largest independent mergers and acquisition ("**M&A**") advisory firms in Canada. Prior to founding Origin I was the Head of M&A at Canaccord Genuity and Genuity Capital Markets and before that I was a managing director in the M&A group at CIBC.
3. Origin was selected by the Applicants as the Financial Advisor after what Origin understood to be a competitive selection process. Origin was retained pursuant to an engagement letter dated August 7, 2015.
4. I swear this affidavit in support of a motion by the Applicants seeking, among other things, the relief sought at paragraph **[2]** of the affidavit sworn by Michael Nowlan sworn February **[1]**, 2016 (the "**Nowlan Affidavit**"). I have had an opportunity to review the Nowlan Affidavit and can confirm that, to the extent that the Nowlan Affidavit refers

to Origin's activities in implementation of the sales and investor solicitation process (the "**SISP**") (specifically, paragraphs **[30]** to **[83]** of the Nowlan Affidavit), the references to Origin's activities are accurate.

5. This affidavit will supplement the Nowlan Affidavit and provide additional information and context with respect to Origin's interactions with the Applicants, FTI Consulting Canada Inc. ("**FTI**"), Comwave Networks Inc. ("**Comwave**"), and Birch Communications, Inc. ("**Birch**"). Specifically, this affidavit focuses on events following completion of the Phase II process. Terms not otherwise defined in this affidavit shall have the meanings ascribed to them in the Nowlan Affidavit.

6. As described at paragraphs **[47]** to **[48]** of the Nowlan affidavit, at the conclusion of Phase II of the SISP there were five parties which submitted proposals for the purchase of some, or all, of the Primus Entities' assets: Comwave submitted a proposal to purchase substantially all of the Primus Entities' assets; three parties (one of which was Birch) submitted proposals to purchase the Primus Entities' Canadian assets (the "**Canadian Assets**") only; and one party (the "**US Proposed Purchaser**") submitted a proposal to purchase the Primus Entities' U.S. assets (the "**US Assets**") only.

7. Four of the five proposals received included markups to the Template Purchase Agreement (as defined in the SISP), however, none of the proposals were in a format which could be accepted by the Primus Entities. Put differently, even if the Primus Entities were prepared to accept one of the Proposals as delivered without any further discussion or negotiation, the mark-ups provided were all missing details or schedules that would be required for the agreement to be executable.

8. From the conclusion of the Phase II process (and in accordance with the SISP) Origin, together with the Primus Entities' counsel engaged all five parties in discussions regarding their proposals. Specifically during the week of November 16, 2015, Origin, together with the Primus Entities' counsel contacted each of the five parties to:

- (a) seek clarification of bid terms;
- (b) obtain a better understanding of any constraints or conditions precedent to the completion of the proposed transaction(s); and/or

- (c) obtain additional information so as to estimate the net proceeds from the proposals.

9. In the weeks that followed, each of Comwave, Birch, and the U.S. Proposed Purchaser made substantial progress in advancing their transaction proposals, while the remaining two parties did not materially advance their proposals towards an executable state.

### **Origin Negotiations With Comwave**

10. As described above, Comwave's initial proposal and mark up of the Template Purchase Agreement (the "**Comwave APA**") was for both the Canadian Assets and the US Assets.

11. On November 18, 2015 Origin and counsel to the Primus Entities had a conference call with Ari Jakobson<sup>1</sup> regarding Comwave's offer. In particular, Origin and the Primus Entities were seeking clarification on a number of aspects of Comwave's proposal. Among the topics discussed on this call were:

- (a) Allocation of Cure Costs<sup>2</sup> as between Vendor and Purchaser in the Comwave APA;
- (b) Information required by Comwave's lender so that they could issue an unconditional comfort letter regarding financing for the proposed transaction;
- (c) Certain deductions sought by Comwave in the Comwave APA;
- (d) Comwave's valuation of the US Assets; and

---

<sup>1</sup> Mr. Jakobson is a lawyer at Wildeboer Dellelce LLP, however, in this transaction he held himself out to be an advisor and consultant to Comwave and entrusted with negotiations related to a possible purchase of the Primus Entities' assets. While Origin was aware that Mr. Jakobson was a lawyer and that he would have the knowledge and skill sets of a lawyer, it was Origin's understanding that Miller Thomson LLP was retained by Comwave to address legal matters related to Comwave's proposed purchase of the Primus Entities' assets.

<sup>2</sup> *Cure Costs* were defined in the Comwave Template Purchase Agreement as "the amount of any monetary defaults, if any, of the Vendor in relation to any Consent Required Contract, required to be paid to ensure that such Consent Required Contracts may be effectively assigned by the Vendor to the Purchaser whether pursuant to the Assignment Order or otherwise"

- (e) Potentially restructuring the transaction so as to allow additional value to be realized for the Primus Entities' tax losses.

12. During the conference call referenced in paragraph 11 above, Mr. Yakobson advised, among other things, that Comwave did not ascribe much value to the US Assets or the tax losses. Comwave's unwillingness to ascribe a material value to the US Assets was significant as the US Assets accounted for 12% of the Primus Entities' gross revenue. Further, there was some concern amongst the Primus Entities and Origin that Comwave would not be able to obtain the necessary regulatory approvals to acquire the US Assets expeditiously. As explained at paragraph [52] of the Nowlan Affidavit, this is because Comwave did not appear to possess, and could not promptly acquire, the relevant U.S. telecommunications licenses.

13. Through the course of the SISP process I had a number of telephone conversations with Mr. Yakobson, usually at his initiation, during which there was discussion of price and during which he made it clear that Comwave was constrained in how much value it could offer for the Primus business, in part due to challenges in obtaining financing. Having received a substantive proposal for the US Assets, and in an effort to make Comwave's proposal more competitive and likely of being acceptable to the Primus Entities' stakeholders, Origin suggested that Comwave consider amending their offer such that the contemplated purchase price only related to the Canadian Assets. This would have the combined benefit of increasing the aggregate value of the Primus Entities' assets while permitting the Primus Entities to sell the US Assets to a buyer who would face fewer regulatory impediments with respect to said assets (thus permitting a transaction to close in a timely fashion).

14. After a number of discussions with Mr. Yakobson, he indicated that Comwave was prepared to amend the Comwave APA to only include the Canadian Assets, while not materially reducing their proposed purchase price. While I did not make the corresponding amendments to the Comwave APA, it was provided to me by counsel to the Primus Entities and I forwarded same to Mr. Yakobson on [December 8,] 2015. Attached hereto and marked as **Exhibit "A"** is a copy of my e-mail to Mr. Yakobson enclosing the amended Comwave APA.

15. By early December, after a number of further discussions Comwave had increased its price and the combination of Comwave's offer for the Canadian Assets with the proposal from the US Proposed Purchaser was emerging as potentially having the highest value for the Primus Entities. Further, as described at paragraph [63] of the Nowlan Affidavit, the negotiations regarding the Comwave APA were progressing farther than negotiations with the other parties. **[NTD: To conform to paragraph 58 of the Nowlan Affidavit.]**

16. While the negotiations with Comwave were the most advanced at this time, there were still a number of unresolved matters and, to my knowledge, neither the Primus Entities or Comwave were ever in a position to execute a definitive agreement. Further, Comwave was aware that the Primus Entities were intent on selling the US Assets at about the same time as the Canadian Assets. To that end, Origin and the Primus Entities were engaged in negotiations with the US Proposed Purchaser regarding purchase of the US Assets, however, those negotiations were not as far advanced as the negotiations with Comwave.

17. On December 3, 2015 there was a meeting between representatives of the Primus Entities, counsel to the Primus Entities, Origin, FTI, Comwave, and counsel to Comwave. My recollection of the meeting is as described at paragraph [60] of the Nowlan Affidavit, however, I underscore that at this meeting Origin did not represent to Comwave or anyone else that Comwave was the only Qualified Bidder.

18. Far from advising Comwave that they were the only Qualified Bidder, at the December 3, 2015 meeting (as described above and in the Nowlan Affidavit) Comwave was asked if it would participate in an auction process with other interested participants. Yuval Barzakay, President of Comwave, rejected that request and stated that Comwave would withdraw its offer if an auction process were held.

19. Throughout the week of December 7, 2015 it appeared that counsel for the Primus Entities and counsel for Comwave were continuing to negotiate terms in the Comwave APA. I was copied on some of these e-mails, however, most of my communications were telephone conversations with Mr. Yakobson regarding high level transaction terms and logistics on exchanging drafts of the Comwave APA. One of the

discussion topics in these conversations was the purchase price. Over the course of these discussions Mr. Jakobson indicated to me that Comwave would be willing to increase its proposed purchase price if it would assist in reaching terms that would be acceptable to the Primus Entities and their stakeholders.

20. In my discussions with Mr. Jakobson, I was clear that it was important to the Primus Entities and the Primus Entities senior lenders (the "**Syndicate**") that if the Comwave APA proceeds, there be a deal in place with respect to the US Assets on appropriate terms and that had not yet occurred.

21. The sale of the US Assets to a separate purchaser presented a number of challenges. The largest challenge was that the US Proposed Purchaser met some, but not all of the US regulatory requirements necessary to complete a sale of the entirety of the US Assets. As a result, it was necessary to solicit a second purchaser for some of the US Assets, as described in greater detail at paragraphs [55] to [56] of the Nowlan Affidavit. The subdivision of the US Assets amongst two purchasers would have the net result of a moderate reduction in value for the US Assets and increased transaction complexity and costs.

22. While I did not provide Mr. Jakobson with specifics of the ongoing challenges in selling the US Assets, I made him aware that there were in fact challenges with that process and that we could not proceed unless there were comprehensive transactions for substantially all of the US Assets and the Canadian Assets that could be completed expeditiously and contemporaneously (or within short order of each other). Nonetheless, Mr. Jakobson pressed for some confirmation that Comwave's proposal would be accepted by the Primus Entities and its lenders. Mr. Jakobson further expressed concern that Mr. Barzakay might not allow Comwave's offer to remain open through the weekend of December 12/13, 2015, regardless of our challenges in selling the US Assets.

23. On December 11<sup>th</sup>, 2015 I was asked to participate in separate conference calls with the Board of Directors of the Primus Entities and the Syndicate so that I may provide an update on the SISP. In both calls I conveyed Mr. Jakobson's concern that Comwave may revoke its offer if it does not receive some assurance that the Comwave

APA will be accepted by the Primus Entities by entering into an exclusivity agreement with Comwave.

24. In my call with the Syndicate, I asked for the Syndicate's views on the assurances sought by Comwave. The Syndicate advised that while it was not their decision as to whether the Primus Entities provide Comwave with the assurances they desire, in their view, any assurances would be premature as they were concerned that the US Asset divestitures were not close to completion. The Syndicate asked that Origin provide a detailed plan for the divestiture of the US Assets by December 15, 2015. I conveyed the Syndicate's concerns to Mr. Yakobson. Attached as **Exhibit "B"** is an exchange of e-mails between myself and Mr. Yakobson relating to the pending deadline and the Syndicate's direction to extend the timeline to December 15, 2015.

25. By the week of December 14, 2015 I was not intimately involved in ongoing negotiations of the Comwave APA, however, my understanding was that many terms had been resolved but matters such as finalizing the schedules to the Comwave APA, the escrow arrangements, and a potential discrepancy on purchase price remained outstanding. In fact, I was still exchanging e-mails with Mr. Yakobson regarding the purchase price in the Comwave APA on the morning of December 18, 2015. Attached as **Exhibit "C"** is a copy of the e-mail chain between Mr. Yakobson and me on December 18, 2015.

26. At 8:34pm on December 18, 2015 Mr. Yakobson forwarded to me an e-mail that Mr. Barzakay had sent to Mr. Nowlan four minutes earlier. The e-mail from Mr. Barzakay (a copy of which can be found at **[Exhibit "G"]** of the Nowlan Affidavit) stated, among other things, that Mr. Nowlan was to "confirm by December 19, 2015 at 6pm where the board and the bank stand with respect to executing the APA and the exclusivity agreements". Mr. Barzakay continued by issuing an ultimatum that "[I]f a decision cannot be made, Comwave is out of this transaction and I am requesting an immediate refund of my deposit" (the "**Comwave Deadline**").

27. Following receipt of Mr. Barzakay's e-mail, I was involved in a number of discussions principally with Mr. Nowlan, who I understood was soliciting input and direction from the Primus Board and the Syndicate regarding a formal response to the

Comwave deadline. I was ultimately advised that the Primus Entities were not prepared to grant Comwave exclusivity and would not execute the Comwave APA or the exclusivity agreements before the Comwave Deadline. By e-mail sent at 5:19pm on December 19, 2015 Mr. Nowlan advised Mr. Barzakay of the Primus Entities' decision. A copy of Mr. Nowlan's e-mail to Mr. Barzakay can be found at **[Exhibit "H"]** to the Nowlan Affidavit.

28. I also had a number of calls from Mr. Yakobson over that weekend on December 19/20, 2015 where I relayed my concerns that we would not be able to meet the deadline and discussed whether there might be alternatives to the deadline. In particular, Mr. Yakobson had said that immediate resolution was required since both he and Mr. Barzakay would be away the following weeks on vacation and difficult to reach. I indicated that we were unlikely to bring resolution to either the US Asset divestiture plans or the alternate transaction proposals before January 2016. I suggested that Comwave consider terms under which they would be willing to leave the Comwave APA open for acceptance while they were away.

29. On December 20, 2015 Mr. Yakobson e-mailed me stating that Comwave would be prepared to "leave its bid in place" until December 31, 2015 "allowing the vendors stakeholders to continue to negotiate with us in good faith" if Comwave were provided with a \$300,000 break fee in the event that the Primus Entities did not proceed with the Comwave APA. Mr. Yakobson's e-mail required a response by end of day on December 21, 2015. Attached as **Exhibit "D"** is a copy of the e-mail from Mr. Yakobson to me on December 20, 2015.

30. I understand from the Nowlan Affidavit that the Primus Entities did not consider it advisable to commit to payment of the \$300,000 break fee and as a result returned Comwave's deposit to them thus ending Comwave's participation in the SISP.

### **Origin Negotiations with Birch**

31. As described above, Birch's proposal as part of Phase II of the SISP only related to the Canadian assets. This was surprising to Origin, and the Primus Entities as there was a belief that the US Assets would provide certain synergies for Birch and we



understood that Birch likely had the regulatory licenses necessary to seamlessly transfer the US Assets with minimal regulatory risk.

32. On November 19, 2015 Origin and counsel to the Primus Entities had a conference call with representatives of Birch regarding Birch's proposed purchase. In particular, Origin and the Primus Entities were seeking clarification on a number of aspects of Birch's proposal. Among the topics discussed on this call were:

- (a) confirmation that Birch's bid was only for the Canadian Assets;
- (b) the scope of anticipated deductions from Birch's proposed purchase price for deferred revenues;
- (c) Birch's requirement for a lengthy closing process;
- (d) areas of remaining due diligence; and
- (e) Birch's request for exclusivity.

While we obtained acceptable clarification on most of these points and Birch understood that it would not be granted any form of exclusivity at that stage, Birch was slow to engage after this call. We understand that this was due to competing processes by Birch and the loss of key personnel due to the pending US Thanksgiving holiday.

33. On December 1, 2015, Birch re-engaged and appeared to be making earnest efforts to complete their remaining due diligence on a timely basis. At this time Birch also advised that they were considering reducing the deductions previously contemplated in their proposal and further advised that they were considering a bid for the US Assets (in addition to the Canadian Assets).

34. On December 9, 2015 a meeting was held in Atlanta, Georgia between certain senior management of both the Primus Entities and Birch, together with Matthew Rome of Origin. While I was not in attendance at the meeting, I was advised that this was a key meeting as Birch established that it was highly motivated in pursuing a transaction with the Primus Entities, recognized the strategic merits and synergies in purchasing

both the Canadian Assets and the US Assets, and appreciated the need to bring forward its revised proposal in the next few days.

35. On December 16, 2015 Birch submitted a marked up Template Purchase Agreement (the "**Birch APA**"). While not executable in its current form, the Birch APA was a compelling offer as it was at a significantly higher purchase price than the Comwave APA, with fewer deductions and contemplated the purchase of both the Canadian Assets and the US Assets with much less transaction complexity, transition costs, and regulatory hurdles.

36. In the 24 hours following receipt of the Birch APA I, together with my colleagues Matthew Rome and Andrew Muirhead, had a number of discussions with representatives of Birch seeking clarification and improvement on key aspects of their proposal. On December 18th, 2015 Birch submitted a further revised version of the Birch APA. It is my understanding that this version of the Birch APA is substantively similar to the Birch APA executed by the parties and for which the Primus Entities seek court approval.

### **Comwave Claim**

37. I have had an opportunity to review the Statement of Claim issued by Comwave bearing court file number CV-16-544689 and attached as [**Exhibit "M"**] of the Nowlan Affidavit (the "**Comwave Claim**"). I disagree with the allegations contained in the Comwave Claim and wish to address the following specific allegations:

- (a) Contrary to paragraph 14 of the Comwave Claim, Origin did not seek permission nor did it feel in any way obligated to seek permission from Comwave, or any other bidder regarding the Phase II deadline. In fact paragraph 23 of the SISP permitted variations in deadlines contained therein;
- (b) Contrary to paragraph 17 of the Comwave Claim, at no time did Origin advise Comwave that it was "the only Qualified Bidder" or that it was the only bidder "who had in fact satisfied all of the requirements of Qualified Bid as set out in the SISP". In fact (and as outlined in the Nowlan

Affidavit) the statement that Comwave was “the only Qualified Bidder” is factually inaccurate as Comwave was specifically advised that there were other bidders and discussions with those bidders were ongoing;

- (c) Contrary to paragraph 20 of the Comwave Claim, at no time did Origin represent to Comwave that, “subject to definitive documentation only...it was the Successful Bidder as defined in the SISP”. Further, Origin never represented that the Primus Entities “would not be negotiating further with any other parties”. Over the weeks that followed the Phase II deadline there were periods of time where Origin and the Primus Entities were only negotiating with Comwave. Further, there were points in time where Comwave’s offer was the closest to being in an executable form. However, there were also instances when other bidders (including, but not limited to, the US Proposed Purchaser – who, in Origin’s mind, was integral to the success of any Comwave bid), would likewise advance their proposals regarding the Canadian Assets and/or the US Assets. I conveyed to Mr. Yakobson that while the negotiations with Comwave were moving well, they were not exclusive and that the best way to make them exclusive was for Comwave and the Primus Entities to finalize their definitive documents. Finally, while I was not involved in the negotiations, in reading the Nowlan Affidavit, I understand that the Primus Entities’ counsel and Comwave’s counsel were negotiating, but had not executed an exclusivity agreement. It is not explained in Comwave’s Statement of Claim why it was necessary to negotiate an exclusivity agreement if the Primus Entities had already agreed that they “would not be negotiating with any other parties”; and
- (d) While paragraph 26 does not state who specifically advised Comwave that “the Defendants had decided to negotiate a sale to another party that had not participated in the SISP”, I can advise that Origin did not make this statement to Comwave. Further the statement is factually inaccurate as Birch was a participant in the SISP;

38. Most importantly, and described above (and in the Nowlan Affidavit), it was Comwave who terminated negotiations on the Comwave APA, not Origin, FTI, or the Primus Entities. Comwave provided the Comwave Deadline and ultimately, the Primus Entities determined they would not meet that deadline.

**Conclusions**

39. For the reasons explained above and in the Nowlan Affidavit, Origin supports the Primus Entities' motion for the relief described at paragraph [2] of the Nowlan Affidavit.

SWORN BEFORE ME at the City of Toronto,  
in the Province of Ontario, this 2<sup>nd</sup> day of  
February, 2016.

\_\_\_\_\_  
A Commissioner for taking Affidavits

} \_\_\_\_\_  
**JIM OSLER**

**TAB A**

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**From:** Jim Osler  
**Sent:** Tuesday, December 08, 2015 3:39 PM  
**To:** Ari Yakobson  
**Subject:** FW: Project Thunder | Asset Purchase Agreement

Ari

Sorry for the delay. Here is the APA. How was the skiing?

Jim Osler  
Origin Merchant Partners  
T: 416.800.0784 | C: 416.903.4195 | E: [jim.osler@originmerchant.com](mailto:jim.osler@originmerchant.com)  
220 Bay St., Suite 1500, P.O. Box 23, Toronto, ON M5J 2W4  
[www.originmerchant.com](http://www.originmerchant.com)



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**From:** Matthew Cameron [<mailto:MCameron@stikeman.com>]  
**Sent:** December 8, 2015 3:13 PM  
**To:** Apps, Alfred <[aapps@millertthomson.com](mailto:aapps@millertthomson.com)>  
**Cc:** Maria Konyukhova <[MKonyukhova@stikeman.com](mailto:MKonyukhova@stikeman.com)>; Samantha Horn <[sghorn@stikeman.com](mailto:sghorn@stikeman.com)>; Mr. Michael Nowlan <[mnowlan@primustel.ca](mailto:mnowlan@primustel.ca)> <[mnowlan@primustel.ca](mailto:mnowlan@primustel.ca)>; [bnice@primustel.ca](mailto:bnice@primustel.ca); Andrew Muirhead <[Andrew.Muirhead@originmerchant.com](mailto:Andrew.Muirhead@originmerchant.com)>; Matthew Rome <[Matthew.Rome@originmerchant.com](mailto:Matthew.Rome@originmerchant.com)>; Shaun Quennell <[Shaun.Quennell@originmerchant.com](mailto:Shaun.Quennell@originmerchant.com)>; J.B. Elliott <[jbelliott@stikeman.com](mailto:jbelliott@stikeman.com)>; Meakin, Nigel <[Nigel.Meakin@fticonsulting.com](mailto:Nigel.Meakin@fticonsulting.com)>; Jim Osler <[Jim.Osler@originmerchant.com](mailto:Jim.Osler@originmerchant.com)>  
**Subject:** Project Thunder | Asset Purchase Agreement

Alf,

Further to our meeting last week, please find attached a revised draft of the Asset Purchase Agreement along with a blackline to the last draft you circulated. We believe this reflects last week's discussions.

This draft is being delivered simultaneously to our clients and their advisors and as such remains subject to their review and comment in all respects.

Independently of this draft, we are also considering the timing of the filing of the Initial Order and related processes based on our discussions last week. Additional changes to the draft may be necessary once we settle on timing.

Kind regards,

Matt

**Matthew Cameron**  
Tel: 416-869-6841  
[mcameron@stikeman.com](mailto:mcameron@stikeman.com)

**STIKEMAN ELLIOTT LLP** Barristers & Solicitors  
5300 Commerce Court West, 199 Bay Street, Toronto, ON, Canada M5L 1B9  
[www.stikeman.com](http://www.stikeman.com)

---

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**TAB B**



**Roxanne Swatogor**

---

**From:** Ari Jakobson <AYakobson@wildlaw.ca>  
**Sent:** December-12-15 1:19 PM  
**To:** Jim Osler  
**Subject:** Re: FTI Bible  
**Attachments:** image001.png

I think that the tight timeline made sense and frankly still does.

I hope that you can get the US portion done and if not that they sell it shortly in the new year which should have no negative impact.

They should have never commenced this process if there was a real potential for it to terminate while a real buyer is available. I hope they realize that and move on.

Ari Jakobson  
WILDEBOER DELLELCE LLP  
ayakobson@wildlaw.ca | www.wildlaw.ca  
T 416 847 6913 | F 416 361 1790 | C 416 520 8505  
Suite 800 | Wildeboer Dellelce Place  
365 Bay Street, Toronto, ON M5H 2V1

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On Dec 12, 2015, at 1:08 PM, Jim Osler <[Jim.Osler@originmerchant.com](mailto:Jim.Osler@originmerchant.com)> wrote:

I don't think it has changed at all. We have been trying to serve many masters here but time still seems to be of the essence for most parties. The banks put a very tight timeframe on the process. We told them it was tight and would likely slip, especially given the complication of selling multiple businesses in multiple transactions. It has unfolded (surprisingly) almost exactly as we had indicated when the SISP document was put together.

Jim Osler | Origin Merchant Partners | e: [jim.osler@originmerchant.com](mailto:jim.osler@originmerchant.com) | t: 416-800-0784 | c: 416-903-4195  
220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4



---

**From:** Ari Jakobson [<mailto:AYakobson@wildlaw.ca>]  
**Sent:** Saturday, December 12, 2015 12:57 PM  
**To:** Jim Osler  
**Subject:** Re: FTI Bible

Thanks Jim. Do you think that you will get the US matter resolved by then?  
I don't understand why they would not sell the US separately even if it is in the foreseeable future.

We were at all times told that this process was about certainty of closing and that the bank wanted out of this process quickly. Jim how did this all change?

Ari Yakobson  
WILDEBOER DELLELCE LLP  
[ayakobson@wildlaw.ca](mailto:ayakobson@wildlaw.ca) | [www.wildlaw.ca](http://www.wildlaw.ca)  
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Suite 800 | Wildeboer Dellelce Place  
365 Bay Street, Toronto, ON M5H 2V1

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On Dec 12, 2015, at 12:52 PM, Jim Osler <[Jim.Osler@originmerchant.com](mailto:Jim.Osler@originmerchant.com)> wrote:

The banks have given us until Tues to bring some resolution to the US transaction. They appear unwilling to give any clear direction beyond that.

Jim Osler | Origin Merchant Partners | e: [jim.osler@originmerchant.com](mailto:jim.osler@originmerchant.com) | t: 416-800-0784 | c: 416-903-4195  
220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4  
<image001.png>

---

**From:** Ari Yakobson [<mailto:AYakobson@wildlaw.ca>]  
**Sent:** Friday, December 11, 2015 7:41 PM  
**To:** Jim Osler  
**Subject:** Fwd: FTI Bible

Jim please see below.  
How do we manage the fact that this doc expires on Monday ?

**Ari Yakobson**  
**WILDEBOER DELLELCE LLP**  
[ayakobson@wildlaw.ca](mailto:ayakobson@wildlaw.ca) | [www.wildlaw.ca](http://www.wildlaw.ca)  
T 416 847 6913 | F 416 361 1790 | C 416 520 8505  
Suite 800 | Wildeboer Dellelce Place  
365 Bay Street, Toronto, ON M5H 2V1

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Begin forwarded message:

**From:** Artur Agivaev <[AAgivaev@wcmcapital.ca](mailto:AAgivaev@wcmcapital.ca)>  
**Date:** December 11, 2015 at 7:26:47 PM EST  
**To:** Ari Yakobson <[AYakobson@wildlaw.ca](mailto:AYakobson@wildlaw.ca)>  
**Subject:** FTI Bible

Attached is Nigel's constitution.

**Section 17. If no Qualified Bids are received by the Bid Deadline or if no Qualified Bid(s) are accepted or if no Successful Bidder(s) have been selected or no Auction has been pursued by the Company by December 14, 2015, the SISP shall automatically terminate. If no transaction has been successfully consummated with the Successful Bidder by December 31, 2015, the SISP shall automatically terminate**

Also look at s. 20, 23, and 24 re them not being required to conclude a sale, and them not having any liability to anyone of course.

Artur Agivaev  
WCM Capital  
T: 416-847-6907

**TAB C**

**Roxanne Swatogor**

---

**From:** Ari Jakobson <AYakobson@wildlaw.ca>  
**Sent:** December-18-15 6:28 AM  
**To:** Jim Osler  
**Subject:** Re: Project Thunder

Thanks  
Call when ready please

Ari Jakobson  
WILDEBOER DELLELCE LLP  
ayakobson@wildlaw.ca | www.wildlaw.ca  
T 416 847 6913 | F 416 361 1790 | C 416 520 8505  
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365 Bay Street, Toronto, ON M5H 2V1

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On Dec 18, 2015, at 5:45 AM, Jim Osler <[Jim.Osler@originmerchant.com](mailto:Jim.Osler@originmerchant.com)> wrote:

Sorry Ari. Back in Toronto now. Not really following the flow of correspondence here but we agreed to \$36 on Tues. Heading in to meet with banks at 11:00 this morning. Let's talk before that.

Jim Osler | Origin Merchant Partners | e: [jim.osler@originmerchant.com](mailto:jim.osler@originmerchant.com) | t: 416-800-0784 | c: 416-903-4195  
220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4  
<image001.png>

---

**From:** Ari Jakobson [<mailto:AYakobson@wildlaw.ca>]  
**Sent:** Thursday, December 17, 2015 8:25 PM  
**To:** Jim Osler  
**Subject:** Fwd: Project Thunder

See below  
Please tell me that we are done on price

Ari Jakobson  
WILDEBOER DELLELCE LLP  
[ayakobson@wildlaw.ca](mailto:ayakobson@wildlaw.ca) | [www.wildlaw.ca](http://www.wildlaw.ca)  
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Suite 800 | Wildeboer Dellelce Place  
365 Bay Street, Toronto, ON M5H 2V1

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Begin forwarded message:

**From:** Ari Jakobson <[AYakobson@wildlaw.ca](mailto:AYakobson@wildlaw.ca)>  
**Date:** December 17, 2015 at 8:23:51 PM EST  
**To:** Samantha Horn <[sghorn@stikeman.com](mailto:sghorn@stikeman.com)>  
**Cc:** "Apps, Alfred" <[aapps@millerthomson.com](mailto:aapps@millerthomson.com)>, Matthew Cameron <[MCameron@stikeman.com](mailto:MCameron@stikeman.com)>, "Lalka, Alexander" <[alalka@millerthomson.com](mailto:alalka@millerthomson.com)>  
**Subject:** Re: Project Thunder

I am fully under the understanding that this was agreed to on tues with Jim.  
Happy to discuss with him again.  
I believe that he is travelling today.  
Good night.

On Dec 17, 2015, at 8:13 PM, Samantha Horn <[sghorn@stikeman.com](mailto:sghorn@stikeman.com)> wrote:

Ari, I'm not trying to (or going to) negotiate, so please speak to Jim about what the final price is for the APA.

---

**From:** Ari Jakobson [<mailto:AYakobson@wildlaw.ca>]  
**Sent:** Thursday, December 17, 2015 8:09 PM  
**To:** Samantha Horn  
**Cc:** Apps, Alfred; Matthew Cameron; Lalka, Alexander  
**Subject:** Re: Project Thunder

No need for food.  
We can keep working.  
Final price?

>

Ari Jakobson  
WILDEBOER DELLELCE LLP  
[ayakobson@wildlaw.ca](mailto:ayakobson@wildlaw.ca) | [www.wildlaw.ca](http://www.wildlaw.ca)  
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On Dec 17, 2015, at 8:06 PM, Samantha Horn <[sghorn@stikeman.com](mailto:sghorn@stikeman.com)> wrote:

>

> Sorry took a break for some food.

>

> That is my understanding yes. We have a call tonight at 10 and a meeting with the bank tomorrow morning and a board meeting at 1:30.

Need final APA including final price.

>

> Samantha Horn

> Tel : (416) 869-5636

> [sghorn@stikeman.com](mailto:sghorn@stikeman.com)<<mailto:sghorn@stikeman.com>>

>

>

>

>

> STIKEMAN ELLIOTT LLP Barristers & Solicitors

> 5300 Commerce Court West, 199 Bay Street, Toronto, ON,

Canada M5L 1B9

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>

> On Dec 17, 2015, at 7:01 PM, Ari Jakobson

<[AYakobson@wildlaw.ca](mailto:AYakobson@wildlaw.ca)<<mailto:AYakobson@wildlaw.ca>>> wrote:

>

>

> Thank Alfred.

> I need to update Yuval please.

>

>

>

> Ari Jakobson

> WILDEBOER DELLELCE LLP

> [ayakobson@wildlaw.ca](mailto:ayakobson@wildlaw.ca)<<mailto:ayakobson@wildlaw.ca>> |

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>

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LinkedIn<<https://www.linkedin.com/company/wildeboer-dellelce-llp>>.

>

> On Dec 17, 2015, at 6:53 PM, Apps, Alfred

<[aapps@millერთhompson.com](mailto:aapps@millერთhompson.com)<<mailto:aapps@millერთhompson.com>>>

wrote:

>

> Can you confirm that it is your understanding that we are signing everything up tomorrow and that all is set from a business perspective.

>

> Alfred Apps<<mailto:aapps@millერთhompson.com>>

> Direct Line: 416.595.8199<<tel:416.595.8199>>

>

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>



**TAB D**

**Roxanne Swatogor**

---

**From:** Ari Yakobson <AYakobson@wildlaw.ca>  
**Sent:** December-20-15 7:10 PM  
**To:** Jim Osler  
**Subject:** Fwd: Comwave's Deadline  
**Attachments:** image001.gif; image002.gif; image003.gif; image003.gif; image002.gif; image001.gif

Jim please see below from michael.

What I propose and Yuval will agree to is the following:

Comwave leaves its bid in place as is as well as the deposit in an effort to finalize the transaction by the end of the month. As you know, we remain committed and continue to believe that Comwave is the best possible purchaser for this asset.

In exchange for leaving the bid out there and allowing the vendors stakeholders to continue to negotiate with us in good faith we would want a 300,000 dollar fee approved by the board and paid to Comwave in the instance where comwave's bid is not approved by the Board and the bank. This amount represents a portion of what Comwave has spent on expenses on this transaction.

I ask that you socialize this concept and get back to me by end of day tomorrow.

If the proposal per the above does not work, kindly refund Comwave's deposit by end of day tomorrow. If as I hope, this proposal works please confirm that if Comwave is not the successful purchaser, per its executed asset purchase agreement Comwave will get the fee per above by Jan 4th as well as a refund of its deposit by the same date.

Jim I am around and working while on holiday. Please let me know.

Ari Yakobson  
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ayakobson@wildlaw.ca | www.wildlaw.ca  
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365 Bay Street, Toronto, ON M5H 2V1

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Begin forwarded message:

**From:** Yuval Barzakay <ybarzakay@gmail.com>  
**Date:** December 19, 2015 at 8:04:50 PM EST  
**To:** Ari Yakobson <AYakobson@wildlaw.ca>  
**Subject:** Fw: Comwave's Deadline

See below.

Sent from my BlackBerry 10 smartphone

---

**From:** Michael Nowlan <MNowlan@primustel.ca>  
**Sent:** Saturday, December 19, 2015 5:17 PM  
**To:** Yuval Barzakay (ybarzakay@gmail.com)  
**Cc:** Jim Osler  
**Subject:** Comwave's Deadline

Yuval

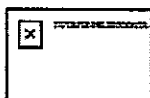
On behalf of the board of Primus, I would like to thank you for your interest in the company, the effort your team has made to bring your transaction proposal forward and your efforts to date as we collectively have tried to reach transaction terms that would best meet the mandate of our board and the goals and objectives of our company and stakeholders.

Unfortunately, we will not be in a position to enter into a transaction with Comwave on the terms that you have proposed before your deadline of 6:00 PM tonight.

Given your stated position if we do not enter in to the exclusivity agreement with you by 6:00PM tonight, your deposit will be returned to you on Monday unless we hear otherwise from you.

Regards,

Michael Nowlan



Michael Nowlan  
CEO  
T: 416.207.7121  
E: [mnowlan@primustel.ca](mailto:mnowlan@primustel.ca)  
[primus.ca](http://primus.ca)



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

Court File No.: CV-16-11257

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PT  
HOLDCO, INC., PRIMUS TELECOMMUNICATIONS CANADA, INC., PTUS, INC.,  
PRIMUS TELECOMMUNICATIONS, INC., AND LINGO, INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**AFFIDAVIT OF JIM OSLER  
(Sworn February 2, 2016)**

LERNERS LLP  
130 Adelaide Street West  
Suite 2400  
Toronto, ON M5H 3P5

Domenico Magisano LS#: 45725E  
Tel: 416.601.4121  
Fax: 416.601.4123

Emily Y. Fan LSUC#: 59788H  
Tel: 416.601.2390  
Fax: 416.867.2452  
efan@lerners.ca

Lawyers for Origin Merchant Partners

# **EXHIBIT I**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 15
PT HOLDCO, INC., <i>et al.</i> , <sup>1</sup>	)	
	)	Case No. 16-10131 (LSS)
	)	
Debtors in a Foreign Proceeding.	)	(Joint Administration Requested)

**NOTICE OF FILING AND HEARING ON VERIFIED PETITION  
OF A FOREIGN MAIN PROCEEDING AND RELATED RELIEF**

PLEASE TAKE NOTICE that on January 19, 2016, FTI Consulting Canada Inc. (“FTI”, “Monitor”, or “Foreign Representative”), the court-appointed monitor and duly authorized foreign representative for PT Holdco, Inc., PTUS, Inc. Primus Telecommunications, Inc., Lingo, Inc., and Primus Telecommunications Canada Inc. (collectively, the “Debtors”) in Canadian insolvency proceedings (the “Canadian Proceeding”) pending in Toronto, Canada before the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”),<sup>2</sup> by the Monitor’s United States Counsel, filed an Official Form 401 chapter 15 Petition for Recognition of a Foreign Proceeding for each of the Debtors and the Verified Petition for Recognition of Foreign Main Proceeding and Related Relief (together with all exhibits, declarations and other documents appended thereto or filed in connection therewith, the “Petition for Recognition”) commencing chapter 15 cases ancillary to the Canadian Proceeding and seeking (i) recognition

---

<sup>1</sup> The last four digits of the Employer Identification Number or Canadian Business Number, as appropriate, for each debtor follow in parentheses: PT Holdco, Inc. (3731), PTUS, Inc. (0542), Primus Telecommunications, Inc. (4563), Lingo, Inc. (7778), and Primus Telecommunications Canada, Inc. (5618).

<sup>2</sup> The Monitor was appointed as monitor of the Debtors pursuant to provisions of Canada’s Companies’ Creditors Arrangement Act (the “CCAA”), R.S.C. 1985, c. C-36, the statute under which the Debtors have been granted relief from creditors. An initial order was entered on January 19, 2016 in the Ontario Superior Court of Justice by the Honourable Mr. Justice Penny, Court File No. CV-16-11257-OOCL, In the Matter of a Plan of Compromise or Arrangement of PT Holdco, Inc., Primus Telecommunications Canada Inc., PTUS, Inc. Primus Telecommunications, Inc., and Lingo, Inc. (“Initial Order”).

of such foreign proceeding as a “foreign main proceeding” and (ii) relief in aid of the Canadian Proceeding in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) with respect to the Debtors, including certain additional relief pursuant to sections 105, 362, 363, 365, 1507 and 1521 of the Bankruptcy Code.

**PLEASE TAKE FURTHER NOTICE** that a copy of the Petition for Recognition, along with: (i) the lists required to be filed with the Petition for Recognition pursuant to Bankruptcy Rule 1007(a)(4); (ii) the Declaration of Nigel D. Meakin, Senior Managing Director of FTI, the Foreign Representative for the foreign proceeding required to be filed pursuant to Bankruptcy Code section 1515; (iii) Order Scheduling Hearing on Petition for Recognition and Specifying Form and Manner of Notice of Hearing; and (iv) Initial Order (collectively, the “Supporting Documents”) are available at <http://cfcanda.fticonsulting.com/primus/default.htm>, and by request to U.S. Counsel to the Monitor, Elliott Greenleaf, P.C. (Attention: Shelley A. Kinsella, Esq., Email: [sak@elliottgreenleaf.com](mailto:sak@elliottgreenleaf.com) or Telephone: (302) 384-9400).

**PLEASE TAKE FURTHER NOTICE** that, upon a hearing on January 21, 2016 and pursuant to Order Granting Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code [D.I. 9] (the “Provisional Relief Order”), a copy of which is served upon you herewith, the Bankruptcy Court has scheduled a hearing regarding the extension of provisional relief granted therein on **February 4, 2016 at 2:00 p.m. (Eastern Time)** (the “Provisional Relief Hearing”) before Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6<sup>th</sup> Floor, Courtroom #2, Wilmington, Delaware, 19801, U.S.A. The Provisional Relief Hearing will address the continuation of provisional relief granted by the Provisional Relief Order until the Recognition



Hearing (defined and described below) through February 19, 2016 or to such time as the hearing on February 19, 2016 is continued or rescheduled, if any.

**PLEASE TAKE FURTHER NOTICE** that any response or objection to the extension of provisional relief set forth in the Provisional Relief Order must be (i) in writing describing the basis therefor; (ii) filed with the Clerk of the Bankruptcy Court, United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware, 19801, U.S.A., **on or before February 1, 2016 at 4:00 p.m. (Eastern Time)** (the “Provisional Relief Objection Deadline”); and (iii) served upon Elliott Greenleaf, P.C., 1105 N. Market Street, Suite 1700, Wilmington, Delaware 19801 (Attention: Rafael X. Zahralddin, Esq.), United States counsel to the Monitor, so as to be received on or before the Provisional Relief Objection Deadline.

**PLEASE TAKE FURTHER NOTICE** that, upon a hearing on January 21, 2016 and pursuant to the Order Scheduling Hearing on Petition for Recognition and Specifying Form and Manner of Notice of Hearing [D.I. 12] the (“Scheduling Order”), a copy of which is served upon you herewith, the Bankruptcy Court has scheduled a hearing on **February 19, 2016 at 10:00 a.m. (Eastern Time)** (the “Recognition Hearing” and, collectively with the Provisional Relief Hearing, the “Hearings”) before Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 6<sup>th</sup> Floor, Courtroom #2, Wilmington, Delaware, 19801, U.S.A. The Recognition Hearing will address the Petition for Recognition and other matters related to the CCAA proceedings, including possible recognition of any motions made to approve the proposed sale of substantially all of the Debtors’ assets. The Debtors will file any related motions on or before January 30,



2016, in accordance with the Federal Rules of Bankruptcy Procedure and all relevant and corresponding Local Rules of Bankruptcy Procedure for the District of Delaware.

**PLEASE TAKE FURTHER NOTICE** that any response or objection to the relief requested in the Petition for Recognition and/or possible recognition of any motions made to approve the proposed sale of substantially all of the Debtors' assets must be (i) in writing describing the basis therefor; (ii) filed with the Clerk of the Bankruptcy Court, United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware, 19801, U.S.A., **on or before February 12, 2016 at 4:00 p.m. (Eastern Time)** (the "Recognition Objection Deadline"); and (iii) served upon Elliott Greenleaf, P.C., 1105 N. Market Street, Suite 1700, Wilmington, Delaware 19801 (Attention: Rafael X. Zahralddin, Esq.), United States counsel to the Monitor, so as to be received on or before the Recognition Objection Deadline. Replies to objections must be to be filed **on or before February 16, 2016 at 4:00 p.m. (Eastern Time)**. The notice of agenda must be filed **on or before February 17, 2016 at 12:00 p.m. (Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that all parties in interest opposed to the Petition for Recognition, possible recognition of any motions made to approve the proposed sale of substantially all of the Debtors' assets or the Monitor's request for continued provisional relief must appear at the Hearings at the time and place set forth above. Further, the Hearings may be adjourned from time to time without further notice other than an announcement in open court at the Hearings of the adjourned date or dates or any further adjourned hearing.

**PLEASE TAKE FURTHER NOTICE** that parties can appear at the Hearings telephonically through CourtCall, LLC (Telephone: 866-582-6878 or Facsimile: 866-533-2946),

provided however, that if the Hearings are evidentiary hearings, the Court may require parties to attend in person to allow witnesses to be cross examined and evidence to be introduced.

**PLEASE TAKE FURTHER NOTICE** that the Monitor intends to raise issues pertaining to foreign law, specifically Canadian insolvency law, in connection with the Petition for Recognition; (i) recognizing the Canadian Proceeding as a foreign main proceeding pursuant to chapter 15 of the Bankruptcy Code and the Foreign representative as the Debtors' foreign representative under Bankruptcy Code sections 1509 and 1517; (ii) granting automatic relief pursuant to Bankruptcy Code section 1520; and (iii) granting other and additional relief pursuant to Bankruptcy Code sections 1507 and 1521 (a) and (b).

**PLEASE TAKE FURTHER NOTICE** that if no response or objection is timely filed and served as provided above, the Bankruptcy Court may grant recognition and relief requested by the Monitor without further notice. Copies of the Petition for Recognition and the Supporting Documents will be made available upon request at the office of the Monitor's United States Counsel at the address below.

Dated: January 21, 2016  
Wilmington, Delaware

ELLIOTT GREENLEAF, P.C.



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Rafael X. Zahralddin-Aravena (DE No. 4166)

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Email: sak@elliottgreenleaf.com

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*Attorneys for the Monitor*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

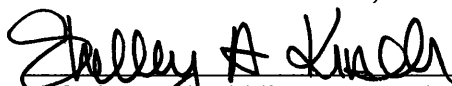
In re:	) Chapter 15
	)
PT HOLDCO, INC., <i>et al.</i> ,	) Case No. 16-10131 (LSS)
	)
Debtors in a Foreign Proceeding.	) (Jointly Administered)
_____	)

**CERTIFICATE OF SERVICE**

I, Shelley A. Kinsella, counsel to the Monitor, hereby certify that I caused a copy of the *Foreign Representative's Motion, Pursuant to Sections 363, 365, 1501, 1517, 1519, 1520, 1521 and 105(a) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 9014, for Entry of an Order Recognizing and Enforcing the Assignment, Vesting and Distribution Orders and Granting Related Relief* to be served on the parties on the attached service list via First Class Mail.

Dated: February 11, 2016  
Wilmington, Delaware

**ELLIOTT GREENLEAF, P.C.**




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Email: khh@elliottgreenleaf.com

*Attorneys for the Foreign Representative*

Party	Address 1	Address 2	City	Prov/State	Postal Code	Country
151 Front Street West Holdings Limited	Suite 501 - 151 Front Street West	Attn: Doug Riches	Toronto	ON	M5J2N1	Canada
382 Communications	400 Crown Colony Drive		Quincy	MA	02169	USA
ACME	130 New Boston Street		Woburn	MA	01801	USA
Aeroplan	525 Ave Viger Ouest	Ste 1000	Montreal	QC	H3Z 0B2	Canada
Allot Communications	300 Trade Center	Ste 4680	Woburn	MA	01801	USA
Allstream	200 Wellington Street West	Attn: Gary Greenan	Toronto	ON	MSV 3G2	Canada
BCE Nexxia Inc.	100 Wynford Drive, 6th Floor	ATTN: Ray Little	North York	ON	M3C 1K4	Canada
BELL	PO Box 46221 Station A		Toronto	ON	M5W 4K9	Canada
Bell Canada	P.O. Box 9000, Str	Don Mills	North York	ON	M3C 2X7	Canada
Bell Canada	100 Wynford Drive, 6th Floor	Attn: Ray Little	North York	ON	M3C 1K4	Canada
Benlin Xu	9 Avonlea Pl		Richmond Hill	ON	L4B 1N7	Canada
Bhaskar Pandian	2730 Holly Ct NW		Swisher	IA	52338	USA
Broadsoft	220 Perry Parkway	ATTN: Vice President	Gaitherburg	MD	20877	USA
BroadSoft Inc	Dept AT 44971		Atlanta	GA	31192-9971	USA
Brunswick Shopping Centre Ltd.	176 rue de L'Église	ATTN: Roland Beaulieu	Edmundston	NB	E3V 1K2	Canada
CDW Canada Inc	P.O. Box 57720, Postal Station A	Attn: Corey Nicholson	Toronto	ON	M5W 5M5	Canada
Cisco	Chicago Lockbox 13064	13064 Collections Centre Drive	Chicago	IL	60693	USA
Cogeco Data Services	413 Homer Avenue	Attn:Tina Mazza	Toronto	ON	M8W 4W3	Canada
Cogent Canada Inc.	P.O. Box 46067	Postal Station A	Toronto	ON	M4W 4K9	Canada
Comrust	P.O. BOX 249		Barrington	RI	02806	USA
CoreSite One Wilshire, L.L.C	1050 17th Street,	Suite 800	Denver	CO	80265	USA
Costco-Residential	PO Box 34340	Attn: Lynn Mitchell	Seattle	WA	98124-1340	USA
CTI Billing Solutions Inc	333 N. Alabama Street Ste 240	Attn: Walter Minor-Starleen	Indianapolis	IN	46204	USA
Data Access Solutions Inc.	15 Wetheim Court	Unit 107	Richmond Hill	ON	L4B 3H7	Canada
David Pigott	109 Gothic Avenue		Toronto	ON	M6P 2V8	Canada
Dell Software, Canada	P.O. Box 15252, Station A		Toronto	ON	M5W 1C1	Canada
Enghouse Networks	80 Tiverton Court, Suite 800	Attn: John Walden	Markham	ON	L3R 0G4	Canada
Equinix	One Lagoon Drive, 4th Floor		Redwood City	CA	94065	USA
Equinox Info Systems	1309 Briarville Rd	Suite 300	Madison	TN	37115-5157	USA
Ericson	5255 Satellite Drive		Mississauga	ON	L4W 5E3	Canada
Excel Micro, Inc	PO Box 62934		Baltimore	MD	21264-2934	USA
F5 Networks	PO BOX 406097		Atlanta	GA	30384-6097	USA
Fiberetics Corp	605 Boxwood Drive	Attn: Ryan Daly	Cambridge	ON	N3E 1A5	Canada
Five9	7901 Stoneridge Drive	Ste 20	Pleasanton	CA	94588	USA
Forest Electric	1375 Broadway, 7th Floor		New York	NY	10018	USA
Genband	3605 E. Plano Parkway	Attn: Ed Cox	Plano	TX	75074	USA
Harbour Centre Complex Limited	Suite 2000 - 555 West Hastings, P.O. Box 12050	ATTN: Shannon Anderson	Vancouver	BC	V6B 4N4	Canada
IDT Domestic Telecom	520 Broad Street, 5th Floor		Newark	NJ	07102	USA
Infosys BPO Limited	Attn: Anshul Mohal	6100 Tennyson Pkwy #200	Plano	TX	75024	USA

Party	Address 1	Address 2	City	Prov/State	Postal Code	Country
Interactive Intelligence	7601 Interactive Way	Attn: Jo Anne Finney	Indianapolis	IN	46278	USA
Instel Inc.	PO Box 9451, STN A		Toronto	ON	M5W 4E1	Canada
Jain Abhishek	A601 Sispal Vihar Sector 49	Sohna Rd Near South City II	Gurgaon	Haryana	122018	India
Laker You	23 Routledge Dr		Richmond Hill	ON	L5B 0C4	Canada
Level 3 Communications	Department #182		Denver	CO	80291	USA
Long View Systems Inc	3100, 255-5th Avenue SW	Attn: Imran Mugal	Calgary	AB	T2P 3G6	Canada
Loyalty One Co.	438 University Avenue	Suite 600	Toronto	ON	M5G 2L1	Canada
Matrix	591 E SAMPLE RD	STE 140	Pompano Beach	FL	33064-4425	USA
Matthew Gamble	250 Ross Lane		Oakville	ON	L6H 5E5	Canada
MDM Business Solutions Inc	2300 Bristol Circle, Unit 6		Oakville	ON	L6H5S3	Canada
Metaswitch	11600 Sunrise Valley Drive	Ste 250	Reston	VA	20191	USA
MondayToSunday Services India Private Limited	Opp. Eshwari Emerald Apartment	6th E Main Road, Gourav Nagar	Bangalore		560078	India
MTS Allstream Inc.	19th Floor (MP3C), PO Box 7500	333 Main Street	Winnipeg	MB	R3C 4E2	Canada
Muhammad Ikram	13193 Dashtco Way		Herndon	VA	20171	USA
Neustar - BOA - 403034 (GA)	Bank of America	PO Box 403034	Atlanta	GA	30384-3034	USA
Neustar - 409915 (GA)	Bank of America	PO Box 409915	Atlanta	GA	30384	USA
NeuStar, Inc Canada #B92221	P.O. Box 277833		Atlanta	GA	30384-7833	USA
Nice Consulting	3665 Nico Wynd Drive		Surrey	BC	V4P 1J1	Canada
Northern Communication Services Inc.	230 Alder Street	Attn: Lauri Wardell	Sudbury	ON	P3C-4J2	Canada
OnX Enterprise Solutions Ltd	165 Commerce Valley Drive West, 3rd Floor	Attn: Sharon MacDonald	Thornhill	ON	L3T 7V8	Canada
Oracle Canada	Postal Station A	PO Box 4598	Toronto	ON	M5W 4Y3	Canada
Padmaja Challa	125 Old County Rd, Apt. B-4		Windsor Locks	CT	06096	USA
Phonetime	190 Borough Dr		Toronto	ON	M1P 0B6	Canada
Premier Global	PO BOX 4290	Station A	Toronto	ON	M3W 0E1	Canada
Premiere Global Services	225 King St W., Suite 900	Attn: Tara Myatt	Toronto	ON	M5V 3M2	Canada
PTGI-International Carrier Services Inc.	460 HERNDON PARKWAY	SUITE 150	Herndon	VA	20170	USA
Rajavardhan Dommala	#4 Chunchagatta Opp Eshwari Emerald Apartment	6th Main Road, Gourav Nagar, J.P. Nagar 7th Phase	Bangalore		560078	India
Red Hat	PO Box 730989		Dallas	TX	75373-0989	USA
Kimhub Inc.	13616 Weinstein Ct.		Centreville	VA	20120	USA
Rogers Business Solutions	2235 Sheppard Ave. East	6th Floor	Toronto	ON	M2J 5G1	Canada
Rogers Communications Canada Inc.	One Mount Pleasant Rd, 5th Floor	A/R Support (ATTN: Corinne Yu)	Toronto	ON	M4Y 2Y5	Canada
Rogers Payment Centre	Rogers Payment Centre, P.O Box 4100	Attn: Samira Ratanishi	Don Mills	ON	M3C 3N9	Canada
Sasktel	2121 Saskatchewan Drive	6th Floor	Regina	SK	S4P 3N1	Canada
Shaw Business Solutions Inc	630-3 Avenue S.W	Attn: Accounts Receivable	Calgary	AB	T2P 4L4	Canada
Smartbox Communication Inc.	4150 St. Catherine West, Suite 515	Attn: Ms. Nancy Toroyan	Montreal	QC	H3Z 0A1	Canada
SmartRG Inc.	501 SE Columbia Shores Blvd.	Attn: Mei Wu	Vancouver	WA	98661	USA
Sonus	4 Technology Drive		Westford	MA	01886	USA
Switch & Date/Equinix	Postal Station A	LB# TO7866C - PO Box 7866	Toronto	ON	M5W 2R2	Canada