

SUPERIOR COURT
(Commercial Division)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

NO: 500-11-063053-231

DATE: May 28, 2024

PRESIDING: THE HONOURABLE KAREN M. ROGERS, J.S.C.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC
1985, C C-36 OF:**

STORNOWAY DIAMONDS (CANADA) INC.

-and-

11272420 CANADA INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**WAGE EARNER PROTECTION PROGRAM ORDER AND KEY EMPLOYEE
RETENTION PLAN TRUST ORDER**

- [1] **ON READING** the Debtors' *Application for the Issuance of a Wage Earner Protection Program Order and a Key Employee Retention Plan Trust Order* (the "**Application**"), the affidavit and the exhibits filed in support thereof;
- [2] **CONSIDERING** the notification of the Application;
- [3] **CONSIDERING** the submissions of the attorneys present at the hearing of the Application and the testimony of the witness heard, including with regard to the application of section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005,

c. 47, s.1 (the "**WEPPA**") and section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Regulations**");

- [4] **CONSIDERING** the Third Amended and Restated Initial Order issued by this Court on April 4, 2024;
- [5] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, the WEPPA and the WEPP Regulations.

THE COURT HEREBY:

- [6] **GRANTS** the Application.
- [7] **DECLARES** that, in accordance with section 5(5) of the WEPPA, Stornoway Diamonds (Canada) Inc. meets the criteria prescribed by section 3.2 of the WEPP Regulations as it is a former employer all of whose employees in Canada have been terminated, with the exception of those employees retained to wind down its business operations.
- [8] **ORDERS** that paragraph 37.1 of the Third Amended and Restated Initial Order, be replaced as follows:

[37.1] **ORDERS AND DECLARES** that upon the filing by the Monitor in the present Court record of a certificate in the form attached to the present Order as Schedule "**A**" (the "**KERP Certificate**") confirming that an amount equal to the aggregate of (i) the value of the outstanding obligations owing under the KERP Agreements and (ii) the value of the Debtors' key officers' retention bonuses as described in the executive retention letters communicated under seal, *en liasse*, as Exhibit R-2 to the Debtors' *Application for the Issuance of a Wage Earner Protection Program Order and a Key Employee Retention Plan Trust Order* (the "**Retention Letters**"), has been placed in trust with the Monitor or a third party trust agent (the "**KERP Trust**"), the KERP Charge shall be terminated and replaced with the KERP Trust so as to satisfy the obligations of the Debtors set forth in the KERP Agreements and the Retention Letters, and **ORDERS** that the amounts placed in the KERP Trust shall be released in accordance with the terms and conditions set forth in the KERP Agreements and in the Retention Letters, as applicable.

- [9] **ORDERS** that Exhibit R-2 in support of the Application is confidential and is filed under seal.
- [10] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.
- [11] **THE WHOLE WITHOUT COSTS.**


KAREN M. ROGERS, J.S.C.