

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-057679-199

SUPERIOR COURT
Commercial Division

IN THE MATTER OF THE PLAN OF
ARRANGEMENT AND COMPROMISE OF:

INVESTISSEMENT QUÉBEC

Applicant / Secured Creditor

- and -

FIERA PRIVATE DEBT INC.

Impleaded Party

- and -

FORTRESS GLOBAL ENTERPRISES INC.

- and -

FORTRESS SPECIALTY CELLULOSE INC.

- and -

FORTRESS BIOENERGY LTD.

- and -

FORTRESS XYLITOL INC.

- and -

9217-6536 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

APPLICATION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD & AUTHORIZING THE TERMINATION OF A TRUST
AND THE RELEASE OF TRUST FUNDS
(Sections 11.02(2) of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE MARTIN F. SHEEHAN OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE APPLICANT, INVESTISSEMENT QUÉBEC, RESPECTFULLY SUBMITS THE FOLLOWING:

1. ORDER SOUGHT

1. The Applicant, Investissement Québec ("**IQ**") in its capacity as interim lender and secured creditor of the Debtors, hereby seeks the issuance of an order substantially in the form of the draft order communicated herewith as **Exhibit R-1**:
 - (a) extending the Stay Period (as defined below) until September 29, 2023 ;
 - (b) extending the Stay (as defined below) to the SAP Proceedings (as defined below); and
 - (c) approving the termination of a trust (the "**D&O Trust**") initially established, with the consent of IQ, prior to the commencement of these proceedings for the benefit of the Debtors' directors and officers (the "**D&Os**"), all of which had resigned in December 2019, concurrently with the commencement of these proceedings, save exception;
 - (d) approving the release to the Monitor of the trust funds (the "**D&O Trust Funds**") paid into the D&O Trust, net of fees and expenses owing to TSX Trust Company, the trustee of the D&O Trust (the "**Trustee**"); and
 - (e) approving the activities of Deloitte Restructuring Inc., in its capacity as monitor to the Debtors ("**Deloitte**" or the "**Monitor**"), as described in its Twentieth report to this Court.

2. PROCEDURAL BACKGROUND

2. On December 13, 2019, IQ and Fiera Private Debt Inc. ("**Fiera**"), in their capacity as principal secured creditors of the Debtors, filed a joint application in respect of the Debtors pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), entitled *Application for the Issuance of a First Day Initial Order, an Amended and Restated Initial Order, a Receivership Order and a Claims Process Order* (the "**Initial Application**").
3. On December 16, 2019, the Initial Application filed by IQ and Fiera was partially granted by the Honourable Marie-Anne Paquette, j.c.s., who rendered, on the same day, a first day initial order (the "**First Day Order**"), pursuant to which, *inter alia*:
 - (a) Deloitte Restructuring Ing. ("**Deloitte**") was appointed as monitor of the Debtors (in such capacity, the "**Monitor**");
 - (b) all claims against the Debtors, their properties and their directors and officers were stayed (the "**Stay**") until December 26, 2019 (the "**Stay Period**"); and
 - (c) the Debtors were authorized to borrow from IQ an amount of up to \$1,000,000 on the terms and conditions of the Interim Financing Term Sheet (the "**Interim Financing Term Sheet**"), which was to be secured by a super-priority charge and

security over all of the assets of each of the Debtors in the aggregate amount of \$1,200,000 (the “**Interim Lender Charge**”).

4. On December 16, 2019, the Court also rendered an order appointing Deloitte as receiver to the Debtors for the sole purpose of allowing their respective employees from benefiting from those payments provided under the *Wage Earner Protection Program Act* (S.C. 2005, c. 47, s. 1).
5. On December 19, 2020, IQ and Fiera filed a motion requesting the issuance of an Amended First Day Order which was granted on December 26, 2020, as appears from the Court record, and which provided for, *inter alia*:
 - (a) an extension of the Stay Period until January 10, 2020;
 - (b) the authorization for the Debtors to borrow from IQ an amount of up to \$1,500,000 under the terms and conditions set forth in the Interim Financing Agreement, to be secured by an Interim Lender Charge of \$1,800,000; and
 - (c) the authorization for the Debtors (with the prior approval of the Monitor), or the Monitor (on behalf of the Debtors), to pay amounts owing for goods or services actually supplied to the Debtors either prior to or after the date of this Order up to a maximum of \$250,000, to the extent that, in the opinion of the Monitor, the supplier was essential to the business and ongoing operations of the Debtors.
6. On January 10, 2020, the Court granted the Initial Application filed by IQ and Fiera in its entirety, and rendered, as appears from the Court record:
 - (a) an Amended and Restated Initial Order which provided, *inter alia*:
 - (i) an extension of the Stay Period until May 2, 2020; and
 - (ii) the authorization for the Debtors to borrow from IQ an amount of up to \$6,000,000 under the terms and conditions set forth in the Interim Financing Agreement, to be secured by an Interim Lender Charge of \$7,200,000; and
 - (iii) an increase in the Monitor’s powers, including the powers to conduct and control the financial affairs and operations of the Debtors, and carry on the business of the Debtors;
 - (b) a Claims Procedure Order which established a “*Claims Bar Date*” of March 16, 2020 (except for restructuring claims).
7. Since then, the Court has rendered several other orders, including:
 - a) orders extending the Stay Period (which is currently set to expire on June 23, 2023); and
 - b) orders approving a First Amending Agreement, a Second Amending Agreement, a Third Amending Agreement, a Fourth Amending Agreement, a Fifth Amending Agreement and a Sixth Amending Agreement to the Interim Financing Term Sheet,

providing for an increase to the Facility Amount (as defined in the Interim Financing Agreement) to a total amount of \$33,800,000, and a corresponding increase to the Interim Lender Charge to a total amount of \$40,460,000.

3. SUMMARY OF THE DEBTORS' RESTRUCTURING EFFORTS TO DATE

A. The Pre-Filing Solicitation Efforts

8. As previously discussed in IQ and Fiera's Initial Application, between August and November 2019 (i.e. prior to the issuance of the Initial Order), a sale and investment solicitation process had been conducted by the Debtors with the assistance of its then financial advisor (and in consultation with IQ and Deloitte).
9. Despite these efforts, no offer or indication of interest or other proposal had been submitted to the Debtors at that time.

B. The Post-Filing Solicitation Efforts

10. Since the commencement of these CCAA proceedings, the Debtors and the Monitor, in consultation with IQ and Fiera, have had discussions with various parties on an informal basis regarding a potential transaction which could allow the continuation of the Debtors' operations.
11. On September 3, 2020, the Monitor received an offer from one of these parties for the acquisition of the Cogeneration Facility which was shared with IQ and Fiera and subsequently refused. The Monitor has also received a draft letter of intention for the same facility, which was also shared with IQ and Fiera, and subsequently refused.
12. In 2021, the Debtors and the Monitor continued to have active discussions with various interested parties with a view of securing a binding offer with a party willing to continue the operations of the Debtors as a going concern.
13. Despite these continued efforts, no such binding offer was agreed upon.

C. The August 2021 SISP

14. In late July of 2021, the Monitor met with the respective representatives and counsel of IQ and Fiera to discuss the status of this file as well as the next steps.
15. During such meeting and in the discussions which followed such meeting, it was agreed that given the advantageous market price of dissolving pulp, it would be appropriate at that time to establish a formal deadline for the submission of letters of intent as well as the terms and conditions in connection with the process for the acquisition of the Debtors' business and assets (the "**SISP**").
16. As part of the SISP, the Monitor would communicate with a variety of potentially interested parties, including parties that had previously manifested some interest in acquiring the Debtors' business and assets, parties potentially interested in a going concern transaction and parties potentially interested in submitting liquidation offers whereby the Debtors' assets would be decommissioned and dismantled.

17. Accordingly, the Monitor, in consultation with IQ and Fiera, prepared a list of twenty-two (22) potentially interested parties to whom the Monitor would reach out to.
18. On August 4, 2021, the Monitor sent to the above parties solicitation materials and advised them that offers should be submitted to the Monitor by no later than September 15, 2021 (the “**Bid Deadline**”).
19. Several offers (the “**Offers**”) from various parties (collectively, the “**Bidders**”) were received by the Bid Deadline. These included going concern offers from strategic parties as well as liquidation bids.
20. On September 17, 2021, the Monitor presented a summary of the Offers to IQ and Fiera.
21. Since several of the Offers contained conditions relating to IQ and the Québec government (including requests for financial support), IQ, together with the Monitor, proceeded with a detailed review of each and every one of these Offers in order to assess their respective viability and to evaluate and quantify the various conditions set out thereunder, in order to ultimately determine whether or not a transaction could be successfully negotiated and implemented.
22. At that time, given the nature of these conditions, IQ expected that the completion of such transaction (if possible) could take several months.
23. In late 2021, IQ and the Monitor determined that it would be appropriate to focus their discussions with one of the Bidders (the “**Original Potential Purchaser**”) and to evaluate such Original Potential Purchaser’s ability to implement a project involving the restart of Fortress’ Pulp Mill and Cogeneration Facility (the “**Original Proposed Project**”).
24. As such, discussions and meetings have been held between, *inter alia*, this Original Potential Purchaser, the Monitor, IQ as well as other governmental entities to clarify its offer, negotiate certain improvements to same and ultimately discuss the path going forward in order to properly assess the Original Potential Purchaser’s Original Proposed Project and determine how such project could be implemented.
25. In this context, the parties namely discussed the terms and conditions which would be required to be met in order to complete a transaction and implement the Original Proposed Project.
26. In addition to discussing the financial terms of such transaction and the manner in which the Original Proposed Project could be implemented, the Original Potential Purchaser, IQ and the Monitor have also discussed the engagement by the Monitor of a third-party consultant which would proceed with an in-depth review of such the Original Proposed Project and conduct feasibility studies relating to same (in order to validate the viability and the technical and financial feasibility of the Original Proposed Project), identify the areas of risks relating to same and obtain such third-party consultant’s recommendations.
27. All parties agreed at that time that the preparation of a feasibility report by such third-party consultant constituted a critical step in moving forward with any transaction with the Original Potential Purchaser.

28. Unfortunately, and despite the significant efforts from all parties involved, it became clear that certain conditions relating to the Original Proposed Project and the required participation from the Quebec government in such project would not be met.
29. Accordingly, by the end of March 2022, the Quebec government notified the Original Potential Purchaser that it would not be in a position to pursue a transaction with such party in connection with the Original Proposed Project.

D. The Subsequent Discussions With Other Potential Purchasers

30. Despite the above set-back, Fortress, together with the support of the Quebec government, and the assistance of the Monitor, continued to discuss with other parties other potential transactions and projects involving the acquisition of Fortress' assets.
31. In this context, discussions and meetings have continued to be held between, on the one hand, Fortress, the Monitor and the Quebec government, and, on the other hand, certain parties that had previously shown interest in potentially implementing a transaction in connection with Fortress' assets, as well as additional new parties.
32. In late September 2022, Fortress and the Monitor received a non-binding letter of intent, together with a business plan, from a party potentially interested in acquiring the business and assets of Fortress.
33. IQ, together with the various branches of the Quebec government, analyzed the aforementioned letter of intent. However, due to the complexity of the proposals submitted to IQ and the Quebec government, and the need to consult with various branches of the Quebec government, such as the *Ministère de l'Économie, de l'Innovation et de l'Énergie*, the *Ministère des Affaires municipales et de l'Habitation*, the *Ministère des Forêts, de la Faune et des Parcs du Québec* and the Municipality of Thurso, the aforementioned offer required significant analysis, consideration and ultimately work on the part of IQ and the Quebec government.
34. Ultimately, such offer did not result in a transaction, and Fortress, together with the Monitor, continued their discussions with several other parties which remained interested in a potential transaction involving the assets of Fortress

E. The Offers Recently Received by Fortress and the Monitor

35. On April 14, 2023, Fortress and the Monitor received six (6) offers from different interested parties, including parties which had previously demonstrated an interest in a potential transaction, as well as other parties which had, until then, not demonstrated such interest.
36. These offers were shared with IQ who proceeded with an analysis of each of the above offer, together with the Monitor and the Company, as well as with the various branches of the Quebec government.
37. Over the course of the past few weeks, the Monitor, in consultation with IQ, has had various discussions and exchanges with two (2) of the above offerors, namely with a view to clarify the terms and conditions of each of their respective offers.
38. The Monitor, in consultation with IQ, is currently pursuing its discussions with one (1) particular offeror, who has indicated a willingness to implement a transaction over the

course of the next few months, subject to completing its due diligence over the course of the summer, during which a Phase II environmental report will be prepared.

39. Based on recent discussions with both the Monitor and with the offeror, IQ is optimistic that a viable transaction may be implemented over the course of the next few months, which will ultimately benefit the Debtors, their employees and the city of Thurso.

F. The Implementation of the “Cold Idle Plus Scenario”

40. Over the past year, the Monitor has continued to maintain Fortress’ activities to a minimum, in order to reduce all operating costs, while maintaining the value of Fortress’ assets for a potential purchaser.
41. In fact, since the issuance of the Amended and Restated Initial Order, the Monitor, in accordance with the powers granted to it by the Court, worked with the Debtors, in consultation with IQ, to reduce their operations to a bare minimum in order to minimize their operating costs, until the demand for pulp and related products increased in the global market.
42. In this context, it was decided early on that:
- (a) Fortress Specialty Cellulose Inc.’s (“**Fortress Specialty**”) specialty cellulose mill located in Thurso, Québec (the “**Pulp Mill**”) would be idled indefinitely so as to minimize operating costs while market conditions improved; and
 - (b) Fortress Bioenergy Ltd.’s (“**Fortress Bioenergy**”, together with Fortress Specialty, “**Fortress**”) cogeneration facility (the “**Cogeneration Facility**”) would continue to operate, but at a substantially reduced production rate.
43. On March 24, 2020, the Quebec Government issued a decree ordering the closure of all non-essential businesses in Quebec which prompted the temporary shutdown of the Cogeneration Facility, which was intended to take place, in any event, a few weeks later given low demand for electricity and the fact that the Pulp Mill would not require to be heated during the spring and summer months.
44. As non-essential businesses gradually reopened and the market price for dissolving pulp increased, Fortress, under the supervision and oversight of the Monitor, proceeded to restart its Cogeneration Facility between the fall of 2020 until the spring of 2021, with a view to preserve the value of Fortress’ assets and maximize its revenues.
45. As the market price for dissolving pulp continued to remain robust,¹ Fortress, under the supervision and oversight of the Monitor, proceeded to restart the Cogeneration Facility during the fall of 2021 until the spring of 2022, once again with a view to preserve the value of Fortress’ assets, maximize its revenues and, ultimately, increase its chances of closing a transaction with a purchaser willing to acquire Fortress’ assets, including its Cogeneration Facility.

¹ In December 2019, dissolving pulp was sold at market price of US\$640 per metric ton, whereas in the first half of 2021, the market price for dissolving pulp went up to US\$1,100 per metric ton. Today, the market price for dissolving pulp now ranges between US\$900 to \$US925 per metric ton.

46. However, as it has been the case from the beginning, given that there was no certainty as to whether or not a viable transaction or project could be implemented, despite the continued efforts of all parties involved in this matter, a decision was taken to gradually implement a “*Cold Idle Plus Scenario*”, as further described in the various reports of the Monitor, including its Sixteenth, Seventeenth and Eighteenth Report.
47. The purpose of gradually implementing such Cold Idle Plus Scenario was to allow Fortress to significantly reduce its operating costs and expenses, while it continued to work with the Quebec government to determine the eventual path forward, and, at the same time, allow it to protect and preserve any remaining value for its assets for any future transaction or project, as the case may be.
48. In addition, as part of the Cold Idle Plus Scenario, Fortress would provide some assistance to the City of Thurso for the treatment of its wastewater and plan for environmental remediation of the site, which has remained on-going over the course of the past few months.
49. As such, over the course of the past year, Fortress and the Monitor (in consultation with IQ) have implemented such “*Cold Idle Plus Scenario*”.
50. Finally, and as will be further discussed in the Monitor’s Twentieth Report, Fortress Xylitol Inc., a special purpose company which was incorporated to proceed with the construction of a demonstration plant to produce xylitol and other complementary bioproducts at the Pulp Mill, will officially cease all operations as of August 15, 2023, as no party whatsoever has demonstrated any serious interest in such company as part of the SISP.

G. Fortress’ Claim Against Les Pompes Goulds

51. As previously discussed in prior applications to the Court, Fortress is party to certain litigation proceedings involving Les Pompes Gould Inc. (“**Pompes Gould**”) in which Fortress claims from the latter damages in an amount of approximately \$17 million.
52. On February 11, 2022, this Court rendered an order approving a Litigation Funding Agreement entered into between Fortress, the Monitor and Omni Bridgeway (Fund 5) Canada Investments Limited.
53. On December 22, 2022, a common declaration was filed by each of Fortress and Pompes Goulds, with a view to set the trial dates.
54. IQ understands that a trial has been set to take place between March 17, 2025 and April 11, 2025.

H. The Collection of the D&O Trust Funds

55. Prior to the commencement of these CCAA proceedings, the Debtors, with the approval of IQ, set up a trust (i.e. the D&O Trust), the purpose of which was to alleviate certain concerns which their D&Os had raised with respect to claims (and more specifically employee claims for unpaid salary) which could be asserted against them in such capacity given the Debtors’ insolvency.

56. In this regard, the Debtors funded an amount of \$1,300,000 (i.e. the D&O Trust Funds) to the D&O Trust, in accordance with the terms and conditions of a Trust Indenture dated December 13, 2019 (the “**D&O Trust Indenture**”). A copy of the D&O Trust Indenture is communicated herewith as **Exhibit R-2**.
57. While the purpose of the D&O Trust and of the D&O Trust Funds was to provide financial support for the defense and payment of claims (including employee claims for unpaid salary) against the D&Os in such capacity, to the extent not covered by D&O insurance (the “**D&O Insurance**”), the establishment of the D&O Trust and the funding of the D&O Trust Funds was also intended to indirectly provide some assurances to the Debtors’ former employees (the “**Former Employees**”) with regards to the payment of their unpaid salaries, to the extent such claims were not paid by the D&O insurer (the “**D&O Insurer**”).
58. Indeed, the creation of the D&O Trust and the funding of the D&O Trust Funds in an amount equivalent to the then estimated employee claims for unpaid salaries ultimately enhanced the Debtors’ former employees’ chances of recovery by, in effect, creating an additional source of recovery for their respective claims.
59. On January 10, 2020, this Court rendered a Claims Procedure Order whereby the Court approved a claims process (the “**Claims Process**”) pursuant to which all claims against the Debtors and/or against the D&Os were to be submitted by no later than a claims bar date of March 16, 2020 (except only for restructuring claims) (the “**Claims Bar Date**”).
60. In accordance with the Claims Process:
 - (a) the Monitor received and reviewed several claims from employees or former employees of the Debtors against the Debtors, on account of unpaid wages and vacation, for which the D&Os were potentially personally liable for, as well as for severance (the “**Employees’ Claims**”); and
 - (b) the Monitor also received and reviewed certain *other* claims filed against the D&Os personally, all of which were ultimately disallowed by the Monitor. None of the claimants having received such notice of disallowance from the Monitor ultimately filed an appeal with the Court within the 10-day period set out in the Claims Process Order, such that these claims are now formally barred.
61. With respect to the portion of the Employees’ Claims relating to severance, the Monitor assisted the employee claimants to file a claim pursuant to the *Wage Earner Protection Program*.
62. With respect to the portion of the Employees’ Claims relating to unpaid wages and vacations (the “**Employee Wages & Vacation Claims**”) for which the D&Os were potentially liable for, the Monitor sought to obtain a partial release of the Trust Fund in order to immediately pay the Employee Wages & Vacation Claims. As previously discussed, the D&O Trust was indirectly established to pay employee claims.
63. Indeed, on December 11, 2020, the Monitor sought and obtained, as appears from the Court record, an order from this Court, essentially:
 - (a) authorizing the Monitor to distribute from the D&O Trust Funds an amount of \$1,036,841.87 in order to fully pay the Employee Wages & Vacation Claims;

- (b) assigning to the Monitor the Employee Wages & Vacation Claims upon payment of same from the D&O Trust Funds; and
 - (c) authorizing the Monitor to subsequently file a claim in respect of the Employee Wages & Vacation Claims against the D&O Insurer pursuant to the D&O Insurance.
64. Since the above order was granted, the Monitor has proceeded to pay the Employee Wages & Vacation Claims from the D&O Trust Funds, and to file a claim in respect of same (i.e. \$1,036,841.87) against the D&O Insurer pursuant to the D&O Insurance.
65. On February 17, 2023, the Monitor finally received an indemnity from the D&O Insurer for an amount equivalent to the Employee Wages & Vacation Claims (\$1,036,841.87).
66. In these circumstances, IQ, in its capacity DIP lender and pre-filing senior secured lender of the Debtors, hereby seeks the issuance of an order from this Court terminating the D&O Trust Indenture and ordering the release of all D&O Trust Funds (either in the possession of the Monitor or of the Trustee) to the Monitor, for the purpose of funding the ongoing operations of the Debtors during the pendency of these CCAA proceedings.

4. RELIEF SOUGHT

A. THE EXTENSION OF THE STAY PERIOD

67. As previously mentioned, the Stay Period is currently set to expire on June 23, 2023.
68. Given the above, it is hereby requested that the Stay Period be extended up to and including September 29, 2023.
69. While the restructuring and/or sale of Fortress has proven to be lengthier and much more challenging than initially contemplated, IQ requests an approximate 3-month extension of the Stay Period in order to allow IQ, together with the Quebec government, and with the Monitor, to pursue their discussions with one of the offerors having recently submitted an offer, allow such offeror to conduct its due diligence and, ultimately and hopefully, take the appropriate steps in order to complete a transaction before year-end.
70. Absent an order from this Court ordering the extension of the Stay Period, the parties will be forced to initiate proceedings under the *Bankruptcy and Insolvency Act* (the “**BIA**”), either receivership proceedings or bankruptcy proceedings, which, ultimately, would not change the current situation and challenges which Fortress and its stakeholders are currently facing; however, such proceedings under the BIA require additional filing of court materials, reports and associated costs and expenses.
71. IQ understands that both Fortress and the Monitor also believe that the maintenance of these CCAA proceedings remains appropriate in the circumstances, especially given the recent developments in this matter.

B. THE EXTENSION OF THE STAY TO THE SAP PROCEEDINGS

72. Prior to the initiation of the present CCAA proceedings, Fortress Specialty operated the Pulp Mill.
73. In this context, Fortress Specialty was issued a certificate of authorization by the *Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs* (the "**MELCC**") in accordance with the *Loi sur la qualité de l'environnement*, RLRQ, c Q-2 (the "**LQE**") and the *Règlement sur les fabriques de pâtes et papier*, RLRQ, c Q-2, r 27 (the "**Certificate of authorization**"), which certificate is necessary for the operation of the Pulp Mill.
74. Since on or about October 8, 2019, all operations at the Pulp Mill have been suspended as a result of the Debtors' financial situation.
75. On July 7, 2021, the *Bureau de réexamen* of the MELCC issued a decision (the "**SAP Decision**") confirming a monetary administrative penalty in the amount of 10 000\$, bearing number 401854814 (the "**SAP**") against Fortress Specialty.
76. On or about August 6, 2021, Fortress Specialty filed a motion contesting the SAP Decision before the *Tribunal administratif du Québec* in file number STE-Q-257041-2108 (the "**SAP Proceedings**"), as appears from the *Requête en contestation d'une décision en réexamen confirmant une sanction administrative pécuniaire*, communicated herewith as **Exhibit R-2**.
77. As part of the draft order sought herein, IQ seeks a declaration from the Court specifying that the Stay shall also apply to the SAP Proceedings.
78. The MELCC is a "*regulatory body*" under section 11.1 of the CCAA. Although the SAP is a pecuniary penalty, the SAP could prevent the closing of a transaction in respect of the Debtors. In fact, certain of the letters of intention received by the Debtors include the Debtors' permits and licences as part of the purchased assets.
79. As will be outlined in the Monitor's report to Court, the Monitor is informed that if the SAP is confirmed, the MELCC could, without any other motive, refuse to amend or renew Fortress Specialty's Certificate of authorization as well as amend, suspend or revoke same in accordance with section 115.5 of the LQE.
80. The foregoing would have a significant impact on the Debtor's perspective of closing a transaction and would diminish considerably the value of Fortress Specialty's assets, which would prejudice the Debtors' stakeholders.
81. Furthermore, prior to and for the purpose of the Cold Idle Plus Scenario, the Debtors proceeded to lay-offs and as a result, the Debtors have retained only a limited number of employees. Consequently, Fortress Specialty does not have the time and resources to adequately prepare for the SAP Proceedings as the current employees will, above and beyond their current roles, be needed to assist in the efforts to finalize in transaction in respect of the Debtors.

82. Also, as at the date hereof, the Pulp Mill is in Cold Idle Plus mode and there is no risk that the alleged violations to the LQE and its regulation will continue. The order sought pursuant to this Application is therefore not contrary to public order.
83. In the current circumstances, it is respectfully submitted that it is appropriate for this Court to specify in its order that the Stay also applies to the SAP Proceedings.
84. It should be noted that:
- (a) an almost identical request was made by the Monitor on March 18, 2020 in connection with other proceedings before the T.A.Q. to which Fortress is party to, which request was granted by the Court on March 23, 2020, as appears from the court record; and
 - (b) an identical request was made by IQ as part of its previous stay extension motion, which request was granted by this Court on April 27, 2023, as appears from the Court record.
85. IQ, the Debtors and the Monitor have each acted in good faith over the course of these CCAA proceedings, and that no creditor of the Debtors will be materially prejudiced by the relief sought herein.
86. IQ understand that the Monitor will confirm its support to such relief in its Twentieth Report to the Court.

C. THE TERMINATION OF THE D&O TRUST AND THE RELEASE OF THE D&O TRUST FUNDS

87. As previously mentioned, the D&O Trust was previously established with the consent of IQ prior to the commencement of these CCAA proceedings for the following purposes:
- (a) in order to *directly* provide some level of protection to the Debtors' D&Os in connection with claims which could be potentially filed against them personally, and in particular claims of employees for unpaid wages and vacation; and
 - (b) in order to *indirectly* provide some level of protection for the Debtors' employees with claims for unpaid wages and vacation.
88. As things currently stand, IQ understands that all claims which could have been advanced against the Debtors' D&Os (which have all resigned in December 2019, save exception) have now been:
- (a) identified as part of the Claims Process;
 - (b) disallowed by the Monitor, with no appeal having been filed in respect of such disallowance; or
 - (c) paid out by the Monitor from the D&O Trust Funds.

89. Moreover, IQ wishes to highlight the fact that pursuant to the Claims Process Order previously rendered by this Court, the Claims Bar Date was set on March 16, 2020, which was more than three (3) years ago.
90. In these circumstances, IQ respectfully submits that the D&O Trust which was established in December 2019 has now fulfilled its purpose, and that there are no longer any reasons to maintain such D&O Trust, together with the D&O Trust Funds.
91. Section 7.1 of the Trust Indenture (Exhibit R-2) specifically provides that:
- (a) the D&O Trust may be terminated upon the issuance of a “*Termination Order*”; and
 - (b) a “*Termination Order*” is defined at Section 1.1. the Trust Indenture as meaning “*an order issued by a judge of the Superior Court of Québec, or another competent Canadian court, ordering the termination of this Indenture*”.
92. While Section 7.2 of the Trust Indenture provides that upon termination of the Trust Indenture, the Trustee shall deliver the “*Trust Property*” (defined as being the sum of \$1.3M) to or on the direction of Fortress Specialty in accordance with a written direction of Fortress Specialty, IQ requests that this Court grants an order directing the Trustee to deliver the “*Trust Property*” to the Monitor, given the current on-going CCAA proceedings, and authorizing the Monitor to use such “*Trust Property*” to fund same.
93. IQ, in its capacity as DIP Lender and pre-filing senior secured creditor of the Debtors respectfully submits that the above orders sought are appropriate in the circumstances.

5. CONCLUSION

94. Since the beginning of these proceedings, IQ has been and remains the only party willing to finance the restructuring of Fortress (other than Omni in connection with the Pompes Goulds Litigation).
95. Despite the significant amounts already funded by IQ to Fortress both prior to and during these CCAA proceedings (which amounts to more than \$100 million in pre-filing funding and more than \$30 million in post-filing interim financing), IQ continues to be willing to financially support Fortress in the hopes of eventually reaching a positive outcome for Fortress, its employees and the city of Thurso.
96. As such, IQ respectfully submits that:
- (a) the extension of the Stay Period (and extension of the Stay to the SAP Proceedings) are appropriate in the circumstances, as it will allow the parties to potentially move forward with a transaction which will allow a positive outcome for the Debtors, their employees and the city of Thurso; and that
 - (b) the termination of the D&O Trust and the release of the D&O Trust Funds the relief sought herein are also appropriate in the circumstances, as such relief will allow the Monitor to fund these on-going CCAA proceedings, which are ultimately aimed at completing the aforementioned potential transaction.

WHEREFORE, MAY THIS COURT:

GRANT this *Application for the Issuance of an Order Extending the Stay Period and Authorizing the Termination of a Trust and the Release of Trust Funds* (the "**Application**");

ISSUE an order substantially in the form of the draft Order communicated in support of the Application as Exhibit R-1;

WITHOUT COSTS, save and except in case of contestation.

MONTREAL, June 19, 2023

Stikeman Elliott LLP

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**Attorneys for the Applicant
INVESTISSEMENT QUÉBEC**

SWORN STATEMENT

I, the undersigned, Éric Pelletier, having my principal place of business at 1001, Robert-Bourassa, Suite 1000, in the city of Montreal, Province of Quebec, solemnly declare the following:

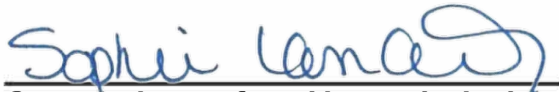
1. I am a Senior Director of Investissement Québec;
2. All the facts alleged in the *Application for the Issuance of an Order Extending the Stay Period and Authorizing the Termination of a Trust and the Release of Trust Funds* are, to the best of my knowledge, true.

AND I HAVE SIGNED

DocuSigned by:

E5F53162A5394E9...

ÉRIC PELLETIER

Solemnly declared before me at Montreal,
on the 19th day of June 2023



Commissionner for taking oaths in the
Province of Québec



NOTICE OF PRESENTATION

TO: the Service List

TAKE NOTICE that the *Application for the Issuance of an Order Extending the Stay Period and Authorizing the Termination of a Trust and the Release of Trust Funds* will be presented for adjudication before the Superior Court of Quebec, Commercial Division on **June 22, 2023**, at **9:30 am**, either in person in room **16.08** or by videoconference, the details of which are below:

16.08	<p>Rejoindre la réunion Microsoft Teams +1 581-319-2194 Canada, Québec (Numéro payant) (833) 450-1741 Canada (Numéro gratuit) ID de conférence : 888 751 938# Numéros locaux Réinitialiser le code confidentiel En savoir plus sur Teams Options de réunion Rejoindre à l'aide d'un dispositif de vidéoconférence teams@teams.justice.gouv.qc.ca ID de la conférence VTC : 1189221126 Autres instructions relatives à la numérotation VTC</p>
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Best regards.

MONTREAL, June 19, 2023

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**Attorneys for the Applicant
INVESTISSEMENT QUÉBEC**

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-057679-199

SUPERIOR COURT
Commercial Division

Montreal, June 22, 2023

Present: The Honourable Martin F. Sheehan, J.S.C.

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

INVESTISSEMENT QUÉBEC

Applicant / Secured Creditor

- and -

FIERA PRIVATE DEBT INC.

Impleaded Party

- and -

FORTRESS GLOBAL ENTERPRISES INC.

- and -

FORTRESS SPECIALTY CELLULOSE INC.

- and -

FORTRESS BIOENERGY LTD.

- and -

FORTRESS XYLITOL INC.

- and -

9217-6536 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

ORDER

ON READING Investissement Québec (“**IQ**” or the “**Applicant**”)’s *Application for the Issuance of an Order Extending the Stay Period and Authorizing the Termination of a Trust and the Release of Trust Funds* (the “**Application**”), the affidavit of Mr. Eric Pelletier filed in support thereof and the Twentieth Report (the “**Twentieth Report**”) of Deloitte Restructuring Inc., in its capacity as monitor of the Debtors (the “**Monitor**”), and relying upon the submissions of counsel and being advised that the parties listed on the service list prepared by the Applicant were given prior notice of the presentation of the Application;

GIVEN the initial order rendered by this Court in the present matter on December 16, 2019 (as amended, restated or otherwise modified, from time to time, including pursuant to orders rendered by this Court on December 26, 2019 and on January 10, 2020, the “**Initial Order**”);

GIVEN the provisions of the the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the “**CCAA**”);

WHEREFORE, THE COURT:

1. **GRANTS** the Application.
2. **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable today and hereby dispenses the Applicant with any further notification thereof;
3. **ORDERS** that the Stay Period (as defined in the Initial Order) shall be extended to and including September 29, 2023, and specifies that such Stay Period shall apply to the Proceedings (as defined in the Initial Order) commenced before the *Tribunal Administratif du Québec* under the file number STE-Q-257041-2108;
4. **ORDERS** that the Trust Indenture (the “**Trust Indenture**”) entered into as at December 13, 2019 between Fortress Global Enterprises Inc., Fortress Specialty Cellulose Inc., Fortress Bioenergy Ltd. and Fortress Xylitol Inc. and TSX Trust Company (the “**Trustee**”), a copy of which was filed as Exhibit R-2 to the Application, is hereby terminated, effective immediately, in accordance with Section 7.1 of the Trust Indenture.

5. **ORDERS AND DIRECTS**, notwithstanding the terms of the Trust Indenture, including Section 7.2 thereof, the release and delivery to the Monitor of all "*Trust Property*" (as such term is defined in Section 1.1 of the Trust Indenture), net only of the fees and expenses owing and payable to the Trustee pursuant to the Trust Indenture, irrespective of whether such "*Trust Property*" is currently in the possession of the Trustee or of the Monitor and **AUTHORIZES** the Monitor to use all "*Trust Property*" to fund the costs and expenses of the present on-going CCAA proceedings;
6. **APPROVES** the activities of the Monitor, up to the date of this Order as described in the Twentieth Report of the Monitor and in his testimony at the hearing.
7. **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

WITHOUT COSTS.

FORTRESS GLOBAL ENTERPRISES INC.

- and -

FORTRESS SPECIALTY CELLULOSE INC.

- and -

FORTRESS BIOENERGY LTD.

- and -

FORTRESS XYLITOL INC.

(collectively, as the Company)

- and -

TSX TRUST COMPANY

(as Trustee)

TRUST INDENTURE

As at December 13, 2019

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TRUST INDENTURE

THIS INDENTURE made as of the 13th day of December, 2019.

BETWEEN:

FORTRESS GLOBAL ENTERPRISES INC., a corporation incorporated under the British Columbia *Business Corporations Act* ("**Fortress Global**")

- and -

FORTRESS SPECIALTY CELLULOSE INC., a corporation initially incorporated under the British Columbia *Business Corporations Act*, and subsequently continued under the *Canada Business Corporations Act* ("**Fortress Specialty**")

- and -

FORTRESS BIOENERGY LTD., a corporation initially incorporated under the British Columbia *Business Corporations Act*, and subsequently continued under the *Canada Business Corporations Act* ("**Fortress Bioenergy**")

- and -

FORTRESS XYLITOL INC., a corporation incorporated under the British Columbia *Business Corporations Act* ("**Fortress Xylitol**", together with Fortress Global, Fortress Specialty and Fortress Bioenergy, the "**Company**")

- and -

TSX TRUST COMPANY, a trust company existing under the laws of Canada (the "**Trustee**")

WHEREAS:

- (1) The Company maintains directors' and officers' liability insurance that would be available, to the extent of the coverage and subject to the terms and exclusions thereof, to defend and indemnify directors and officers of the Company with respect to claims, penalties and other amounts;
- (2) Concerns with respect to claims against the directors and officers of the Company, or against their predecessors, may detract from their performance and contribution to the Company or lead to their resignations, which would disrupt the business and operations of the Company and would not be in the best interest of the Company;

- (3) The Company has determined that protection is required for the Directors and Officers in addition to that provided by the D & O Insurance;
- (4) Fortress Specialty has paid to the Trustee the sum of C\$1,300,000 which, together with such other contributions as the Company may determine to make from time to time, shall be used to establish a trust fund for the payment of Liability Claims and to be administered by the Trustee in accordance with this Indenture; and
- (5) The foregoing recitals are made as representations and statements of fact by the Company and not the Trustee.

NOW THEREFORE in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), it is agreed and declared as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Where used in this Indenture, including in the recitals, the subsequent terms shall have the following meanings:

"Business Day" means a day on which chartered banks are open for business in Vancouver, British Columbia, Toronto, Ontario and Montreal, Quebec, excluding Saturday, Sunday and any statutory holiday;

"Canadian Dollars" or **"C\$"** means the lawful currency of Canada;

"Certificate" means a written notice to the Trustee, substantially in the form set out as **Schedule "A"**, signed by at least two (2) of the Directors in office as of the date hereof in their capacity as director or, if applicable, former directors of the Company and not in their personal capacity, confirming:

- (i) the amount requested to be disbursed from the Trust Property (the **"Requested Amount"**);
- (ii) the applicable use for which the Requested Amount will be paid and applied;
- (iii) that the proposed use described in paragraph (ii) above constitutes a Permitted Use; and
- (iv) the identity and details of all payees.

"Company" has the meaning ascribed thereto in the recitals and includes the subsidiaries and affiliates of the Company;

"D & O Insurance" means director and officer liability policy or policies of insurance maintained by the Company for the Directors and Officers;

"D & O Qualifying Claim" is a Liability Claim that qualifies for coverage under the D & O Insurance whether or not the amount of the coverage available under the D & O Insurance

is adequate to defend the Directors and Officers against, and to pay, the particular Liability Claim;

"**Directors**" means the past, present and future directors of the Company up to and including the date of a Triggering Event. **Schedule "B"** to this Indentures lists the current Directors; Schedule B will be updated, if the circumstances so warrant it, and any such update will be transmitted to the Trustee;

"**Former Trustee**" means any trustee who has ceased to be a Trustee under this Indenture;

"**Indenture**" means this Trust Indenture, as amended or supplemented pursuant to the terms hereof from time to time;

"**Liability Claim**" means any claim, liability, charge, penalty, or expense for which a company can provide a director with indemnity pursuant to the provisions of the British Columbia *Business Corporations Act*, as regards to Fortress Global and Fortress Xylitol, or the *Canada Business Corporations Act*, as regards to Fortress Specialty and Fortress Bioenergy, (including, without limitation, any claim contested by an insurer or insurers and all legal expenses arising in connection with defending a Liability Claim) or other amount for which the Directors and Officers, or any of them, may become personally liable arising from their status as Directors or Officers (including, without limitation, claims under Liability Legislation for employee wages, vacation pay, pension obligations, certain tax liabilities and environmental matters), all legal costs and other expenses incurred in asserting that a claim is covered by the D & O Insurance and the payment of any premiums for the purpose of maintaining D & O Insurance, providing that Liability Claim shall not mean any claim arising from the fraud or wilful misconduct of the particular Director or Officer;

"**Liability Legislation**" means legislation now in force or which may come into force with retroactive effect in the various jurisdictions in which the Company operates;

"**Officers**" means the past, present and future officers of the Company up to and including the date of a Triggering Event. **Schedule "B"** to this Indentures lists the current Officers; Schedule B will be updated, if the circumstances so warrant it, and any such update will be transmitted to the Trustee;

"**Permitted Use**" means, after the occurrence of a Triggering Event, the payment of any and all amounts necessary to defend and indemnify Directors and Officers of the Company with respect to and in order to satisfy any Liability Claims and D&O Qualifying Claims, subject to Section 2.7 of this Indenture, including, without limitation, the payment of all legal costs and expenses incurred in asserting that a claim is covered by the D & O Insurance and the payment of any taxes payable on the income accumulated pursuant to Section 4.10 of this Indenture;

"**Person**" includes any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Qualified Investments**" means short-term bank instruments issued by Schedule I Canadian chartered banks with a term to maturity of less than ninety (90) days; deposits of

funds in an interest-bearing trust account of the Trustee; or treasury bills issued by the Government of Canada;

"**Successor Trustee**", in the following order of succession, means a person or corporation who agrees to act and is nominated by a resolution signed by a simple majority of all persons who are Directors of the Company or, in the event there are no existing Directors of the Company, those persons who were within twelve (12) months preceding the earliest to occur of a Triggering Event or the resignation of the last Director of the Company, a Director of the Company;

"**Termination Date**" has the meaning ascribed thereto in Section 7.1;

"**Termination Notice**" means a written notice to the Trustee, substantially in the form set out as **Schedule "C"**, signed by two (2) of the Officers of Fortress Specialty in office as of the date hereof in their capacity as officer and not in their personal capacity;

"**Termination Order**" means an order issued by a judge of the Superior Court of Quebec, or another competent Canadian court, ordering the termination of this Indenture;

"**Triggering Event**" means a determination by the Directors acting reasonably, and confirmed in a written notice to the Trustee, signed by two (2) Directors and/or Officers from either Fortress Global, Fortress Xylitol, Fortress Specialty or Fortress Bioenergy, that:

- (i) the Company is not able to meet its liabilities as they fall due;
- (ii) there has been an application by or in respect of the Company under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act*, or
- (iii) the D & O Insurance may be cancelled or reduced for non-payment of premiums where the Company does not provide the Directors with evidence satisfactory to the Directors in their discretion that such premiums have been or will be paid in a timely fashion;

"**Trustee**" has the meaning ascribed thereto in the recitals;

"**Trustee Expenses**" has the meaning ascribed thereto in Section 4.1;

"**Trustee Fees**" has the meaning ascribed thereto in Section 4.1; and

"**Trust Property**" means the sum of C\$1,300,000 paid by Fortress Specialty to the Trustee and any further contributions or reductions made thereto and any property into which all the foregoing may be converted together with interest and other revenues generated thereby.

Section 1.2 Headings, etc.

The provision of a table of contents, the division of this Indenture into articles and sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Indenture.

Section 1.3 Articles; Sections; etc.

Reference to articles, sections or other parts of this Indenture are to the specified article, section or part.

Section 1.4 Gender; Singular/Plural

References to gender include all genders and, except where the context otherwise requires, the singular includes the plural and *vice versa*.

Section 1.5 Certain Phrases, etc.

In this Indenture (i) the words "including" and "includes" mean "including (or includes) without limitation", (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding", and (iii) the words "hereafter", "hereby", "herein", "hereof", "hereunder" and "herewith" refer to the entire Indenture, not just a particular article or section.

Section 1.6 Business Day

Any action or payment required or permitted to be taken or made hereunder on a day which is not a Business Day may be taken or made on the next succeeding Business Day.

**ARTICLE 2
THE TRUST**

Section 2.1 Creation of Trust

Fortress Specialty hereby deposits C\$1,300,000 with the Trustee. The Trustee accepts and holds the Trust Property upon the trusts and subject to and in accordance with the terms provided for in this Indenture. The Trustee agrees to distribute and deal with the Trust Property, and at all times agrees to keep the Trust Property segregated and in a segregated account, on the terms and subject to the conditions hereof.

Section 2.2 Irrevocable

This trust is intended and is hereby declared to be irrevocable, with the exception of the circumstances contemplated in Section 7.1. The Trust Property shall be held and applied solely for the objects of the trust, subject to Section 4.1, and prior to the Termination Date, and subject to Section 7.1, the Trust Property shall not revert to or be applied for the benefit of the Company but shall be applied for the exclusive benefit of the Directors and Officers in accordance with the terms hereof.

Section 2.3 Name

The name of this trust shall be "**Fortress Directors' and Officers' Trust**".

Section 2.4 Purpose

The purpose of this Indenture is to provide financial support for the defence of the Directors and Officers against Liability Claims and for the payment of Liability Claims, to the extent that the D & O Insurance does not do so and to maintain D & O Insurance through the payment of premiums or other payments, if the Company fails to do so.

Section 2.5 Beneficiary

The beneficiary of the Trust Property in excess of the total amount of the Liability Claims is Fortress Specialty. The Trustee may pay an amount with respect to a Liability Claim (or as reimbursement of the payment of a Liability Claim) if so provided for in the Certificate.

Section 2.6 No Right to Corpus of the Trust

Other than as expressly provided therein, no Person shall have any right to the corpus of the trust created by this Indenture.

Section 2.7 Not to Constitute Insurance

The Trust Property shall only be available to provide financial support for the defence of or to pay Liability Claims which are not D & O Qualifying Claims. However, the Trust Property shall be available to provide financial support for defending Directors and Officers against a D & O Qualifying Claim and to pay a D & O Qualifying Claim (or a portion thereof) that will not be defended or paid by the D & O Insurance because coverage is inadequate or is disputed.

Section 2.8 Qualified Investments

Pending disbursement of the Trust Property, the Trustee shall, in Canadian Dollars, hold, invest and reinvest the same in Qualified Investments in such manner as may be directed by Fortress Specialty. All Qualified Investments shall be held in trust by the Trustee subject to and in accordance with the terms provided herein and, where any amounts are held in an interest-bearing trust account, the trust nature of such account shall be clearly identified. The Trustee shall have no liability with respect to any loss in the value of investments as permitted to be made hereunder. In making any payment, the Trustee shall not be liable for any loss sustained from the early termination of any investment if such early termination is required to enable the Trustee to make a payment. The Trustee shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity other than at a rate, if any, established from time to time by the Trustee in relation to the Qualified Investments directed by the Company. If no such direction is provided by Fortress Specialty, the Trustee shall hold the Trust Property in an interest-bearing trust account until further direction.

Section 2.9 Residence

The residence of the trust created under this Indenture is Canadian. If the Trustee shall cease to be a resident of Canada, the Trustee shall, on the happening of such event, cease to be the Trustee hereunder. The Trustee shall give written notice thereof to the Directors of the Company at least thirty (30) days prior to ceasing to be a resident of Canada.

ARTICLE 3 PAYMENT OF CLAIMS

Section 3.1 Payment of Liability Claims

- (1) From time to time, in the event that funds are required to be disbursed from the Trust Property to be paid and applied towards a Permitted Use on behalf of applicable Directors and Officers, a Certificate shall be executed and delivered to the Trustee. Where the total amount of all Liability Claims is in excess of the actual amount of the Trust Property, the Trust Property shall be applied in the following priority:

- (i) all legal costs and expenses incurred in asserting that a claim is covered by the D&O Insurance;
 - (ii) any other Liability Claims (excluding those referenced in Section 3.1(1)(i); and
 - (iii) D&O Qualifying Claims that will not be defended or paid by the D&O Insurance because coverage is inadequate or disputed.
- (2) If the Trustee is unclear as to the priority of the claims in a situation where the total amount of all Liability Claims is in excess of the actual amount of the Trust Property, the Trustee may request and rely on a written direction of the Directors confirming said priority.
- (3) Upon receipt of a Certificate, the Trustee shall be irrevocably authorized and directed to distribute the applicable portion of the Trust Property, in the manner prescribed in the Certificate, within three (3) Business Days.
- (4) The Trustee shall have no obligation to make any determination as to (i) the due authority of a Director executing a Certificate or (ii) the validity of a use stated in a Certificate as being a Permitted Use, and the Trustee shall be entitled to rely and act upon the veracity, genuineness and authenticity of such Certificate, and will not be responsible or held liable for any loss or damage resulting from so relying or acting on such Certificate.
- (5) The Trustee is hereby authorized, subject to Section 4.1(4), to reserve in the Trust Property amounts sufficient to attend to the Trustee Fees and the Trustee Expenses and other payments to be met from the Trust Property under this Indenture.

Section 3.2 No Liability for Insufficient Funds

The Trustee shall not be liable to any Person (including any Director, Officer or the Company) in the event that the Trust Property is insufficient to pay in full or in part any Liability Claim under this Indenture. Furthermore, the Trustee shall, in the event of any insufficiency of funds in the Trust Property, have no obligation to seek or demand any further monies from the Company or any other Person.

Section 3.3 Failure to Deposit

The Trustee shall have no liability for any failure of the Company to deposit amounts with the Trustee.

Section 3.4 Direction

To permit the Trustee to carry out his obligations hereunder, the Company specifically authorizes and directs the Trustee to make the stipulated payments or to take the stipulated actions in accordance with the provisions of this Indenture.

Section 3.5 Method of Disbursement and Delivery

- (1) All disbursements of money made under Section 3 or pursuant to this Indenture shall be made by certified cheque, wire or bank draft drawn upon a Canadian Schedule I chartered bank made payable to the Persons entitled to disbursement and in the

correct amount and delivered to a Director or Officer or to the Company as per the directions to the Trustee in the Certificate so provided.

- (2) The delivery of a cheque by the Trustee as required hereunder shall satisfy and discharge the liability for any amounts due to the extent of the sum or sums represented thereby, unless such cheque is not honoured on presentation; provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Trustee, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and funding and indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque not received, lost or destroyed.

ARTICLE 4 THE TRUSTEE

Section 4.1 Fees and Expenses

- (1) The Company agrees to pay the Trustee an initial fee on the execution of this Indenture, as well as an annual fee, and any transactional fees applicable for all other services rendered by the Trustee hereunder pursuant to the terms of the fee schedule executed by the Company as of the date hereof. Fees payable in accordance with this paragraph are herein referred to as "**Trustee Fees**".
- (2) The Company shall reimburse the Trustee for all commercially reasonable expenses (including taxes, except for any taxes payable with respect to any fees paid to the Trustee) and disbursements in the performance of its duties hereunder (including the reasonable compensation and disbursements of its counsel and all other assistants and advisors not regularly in its employ), as well as including the cost and expense of any suit or litigation of any character, including any proceedings before any governmental agency, reasonably incurred in connection with his duties hereunder, but excluding expenses and disbursements paid, incurred or suffered by the Trustee in any suit or litigation in which the Trustee is determined to have acted fraudulently, in bad faith or with wilful misconduct (collectively, the "**Trustee Expenses**").
- (3) Except for the payment on execution of this Indenture and subject to the next following paragraph (4), the Trustee Fees and the Trustee Expenses shall be payable out of the Trust Property.
- (4) The Company shall pay the Trustee Fees and Trustee Expenses, provided however, if any are not paid by the Company within thirty (30) days from the date of the invoice thereof and are otherwise uncontested, the Trustee may satisfy such invoices from the Trust Property. The Trustee is not required to effect any partial or full release unless the Trustee Fees and Trustee Expenses are paid in full.

Section 4.2 Resignation and Replacement

- (1) The Trustee may resign at any time by giving written notice thereof to the Directors of the Company, specifying the date on which it is desired that his resignation shall be effective, provided that such notice shall never be given less than sixty (60) days prior to such desired effective date.
- (2) The Trustee shall cease to be a Trustee hereunder if it ceases to be a resident of Canada.

- (3) Upon a cessation, as contemplated in the immediately preceding Section 4.2(1) and Section 4.2(2), the Successor Trustee shall become the Trustee for all purposes of this Indenture in accordance with the order of succession described in the definition of Successor Trustee in Section 1.1.

Section 4.3 Succession

- (1) A Trustee's resignation shall only take effect upon the date that the Successor Trustee becomes the Trustee, accepts the trusts hereunder and upon the Former Trustee having transferred to the Successor Trustee all of the Trust Property. Upon such succession, the Successor Trustee, save and except for the provisions of the first sentence of Section 4.1(1), shall be vested with the same powers, rights and privileges and charged with the same duties, trusts and responsibilities as are herein expressed to be vested in or imposed on the Trustee, as if it had been originally named as trustee hereunder without any further assurance, conveyance, act or deed; but if for any reason it becomes necessary or expedient to execute any further deed or assurance, the same shall be done at the expense of the Company, or charged as a Trustee Expense upon failure to pay for thirty (30) days, and shall be legally and validly executed by the Former Trustee upon payment of all of its outstanding Trustee Fees and Trustee Expenses.
- (2) The Company and the Former Trustee shall execute any and all reasonable instruments in writing to fully vest in and confirm to the Successor Trustee all such rights and powers.
- (3) If a Successor Trustee becomes the Trustee pursuant to Section 4.2(2), they shall take all steps necessary to receive, from the Former Trustee or personal representative of the Former Trustee, a full and complete conveyance of the Trust Property and to provide such indemnities and assurances as shall be reasonably necessary to such Former Trustee or personal representative. To the extent practical, the provisions of the preceding Section 4.3(1) and Section 4.3(2) shall apply *mutatis mutandis*.
- (4) Any corporation into or with which the Trustee may be merged, arranged, consolidated or amalgamated, or to which all or substantially all of its corporate trust business is sold, or any corporation resulting therefrom, or any corporation succeeding to the corporate trust or transfer agency business of the Trustee shall be the successor to the Trustee hereunder without any further act on its part or any of the parties hereto.

Section 4.4 Accounting

The Trustee shall maintain accurate books, records and accounts of the transactions effected or controlled by the Trustee hereunder and the receipt, investment, reinvestment and disbursement of the Trust Property, and shall provide to the Company records and written statements thereof periodically upon request.

Section 4.5 Limitation of Liability

Subject to their obligations to the Company and to the Directors and Officers, the Trustee shall have no personal liability to any other Person arising from commitments in this Indenture or contractual relationships. The Trustee is authorized to require any such commitment or contractual relationship to include a provision confirming the foregoing

sentence to the Directors and Officers or any other Person with respect to the performance of the responsibilities of the Trustee hereunder, except for damages that may be caused by the deliberate or wilful misconduct or gross negligence of the Trustee.

Section 4.6 Acceptance of Trusts

The Trustee hereby accepts the covenants, trusts and obligations in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth, and to hold and exercise the rights, privileges and benefits conferred upon the Trustee hereby in trust for the benefit of the Company.

Section 4.7 Conflict of Interest

The Trustee represents that at the time of the execution and delivery hereof, no material conflict of interest exists in the Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter shall, within thirty (30) days after ascertaining that he has such a material conflict of interest, either eliminate such conflict or resign as the Trustee hereunder. In the event of such a conflict of interest, the Trustee may seek directions from (and determine not to act pending the receipt of such directions from) the Superior Cour of Quebec and shall incur no liability whatsoever in such circumstances for such inaction.

Section 4.8 Indemnification

The Company shall indemnify and save harmless the Trustee (and its directors, officers and employees if the Trustee is a corporation) from and against all costs, expenses and liabilities (including all expenses reasonably incurred in the Trustee's defence thereof) arising in any manner out of or in connection with this Indenture and the trust hereby constituted (including, without limitation, any investments made, retained or disposed of on the direction of the Company) except to the extent that the same is attributable to fraud, bad faith, or wilful misconduct of the Trustee. Subject to the foregoing, this entitlement to indemnification includes legal fees and expenses on a solicitor and client basis reasonably incurred by the Trustee in enforcing his rights to indemnification hereunder. This indemnity shall survive the termination of this Indenture and the resignation or removal of the Trustee.

Section 4.9 Financial Matters

- (1) The Trustee shall prepare and file tax slips in connection with the income earned on the Trust Property which shall be attributable to Fortress Specialty for tax reporting purposes; and
- (2) The Trustee shall for the purposes of this Indenture open, operate and maintain a segregated account for the Trust Property and shall deposit all assets comprising the Trust Property in such account and any cheques drawn upon any account and all other instructions, as applicable, shall be signed by the Trustee.

Section 4.10 Accumulation of Income

Any payments from the Trust Property made by the Trustee under the terms of this Indenture shall be made from the principal and/or interest of the Trust Property as per the directions outlined in the Certificate provided to them; any income not so paid in any year shall be added to and dealt with as part of the capital of the Trust Property and any taxes payable on such income shall be paid from the Trust Property.

Section 4.11 Professional Advisors

The Trustee shall be entitled to take legal, accounting, tax or other advice and employ such assistance as in his judgement, acting in a commercially reasonable manner, may be necessary for the proper discharge of his duties and, if acting in good faith, may rely upon the opinion, information or advice of counsel or any other independent expert or advisor retained by the Trustee and shall not be responsible for any loss resulting from any action or inaction taken in good faith in reliance upon such opinion, information or advice. Any such cost associated under this Section 4.11 shall be reimbursed in accordance with Section 4.1(2).

Section 4.12 Certificate of Incumbency

Fortress Specialty shall deliver to the Trustee a certificate of incumbency which certifies the incumbency and signatures of the Directors of Fortress Specialty who have the authority to execute documents contemplated under this Indenture on behalf of the Fortress Specialty, including for greater certainty, those that are authorized to execute the Certificates. The Trustee shall be entitled to rely on such certificate as to the matters certified therein and absent manifest irregularity in the manner of execution of any document deliverable under this Indenture, the Trustee shall have no obligation to verify the authenticity of any signatures on any document.

Section 4.13 Reliance on Documents

The Trustee shall be fully protected in acting and relying on any document, certificate, statement, instrument, opinion, report or notice, believed by it to be genuine and to have been signed, sent by or on behalf of the proper party or parties or delivered to it pursuant to this Indenture as to its due execution, validity and effectiveness and as to the truth and accuracy of any information contained therein.

The Trustee will have the right not to act and will not be liable for refusing to act unless it has received clear and reasonable documentation that complies with the terms of this Indenture. Such documentation must not require the exercise of any discretion or independent judgment.

Section 4.14 No Duties Other Than as Expressed in this Indentures

The Trustee shall have no duties except those which are expressly set forth in this Indenture, and it shall not be bound by any notice of a claim or demand with respect to this Indenture, or any waiver, modification, amendment, termination or recession of this Indenture, unless received by it in writing in accordance with this Indenture and, if its duties under this Indenture are affected, unless it shall have given its prior written consent.

Section 4.15 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole reasonable judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, economic sanctions or anti-terrorist legislation, regulation or guideline. Further, should the Trustee, in its reasonable judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering, economic sanctions or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the parties hereunder, provided (i) that the Trustee's written notice shall describe the

circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Trustee's satisfaction within such ten (10) day period, then such resignation shall not be effective.

ARTICLE 5 RESTRICTIONS ON INDEMNITY

Section 5.1 Notice of Claims

The Trustee shall notify the Company as soon as it is reasonable to do so, after the Trustee shall have received any written assertion of a claim or shall have been served with a summons or other first legal process in connection with this Indenture giving the Company information as to the nature and basis of the claim. The Company shall be entitled to participate at its own expense in the defence. If the Company so elects at any time after receipt of such notice, it may assume the defence of any suit brought to enforce such claim. If the Company assumes the defence of any suit, it shall not be liable for the fees and expenses of any additional counsel thereafter retained by the Trustee.

ARTICLE 6 AMENDMENT

Section 6.1 Amendment Restrictions

(1) This Indenture only may be amended, varied or supplemented by written agreement executed by the Trustee and the Company, which for all purposes of this Indenture shall be represented by any two (2) Directors and/or Officers from either Fortress Global, Fortress Xylitol, Fortress Specialty or Fortress Bioenergy, immediately prior to the Triggering Event, only:

(a) to add to the provisions hereof additional covenants or provisions for the benefit of the Company, the Directors and Officers and/or the Trustee; and

(b) for the purpose of correcting or rectifying ambiguities, defects, errors or omissions contained herein;

provided that any such amendment is not, in the opinion of the Trustee and the Company, based on the advice of the Company's legal counsel, inconsistent with the provisions hereof or prejudicial in any material respect to the interests of the Directors and Officers.

(2) This Indenture may be amended with or without the approval of the Trustee for the purpose of evidencing the succession to the Successor Trustee and the transfer to and assumption by any such Successor Trustee of the rights, privileges and obligations of the Trustee hereunder.

ARTICLE 7 TERMINATION

Section 7.1 Termination Date

The trust created by this Indenture shall terminate upon the earliest to occur of:

(a) the provision of the Termination Notice to the Trustee; or

(b) the issuance of a Termination Order; or

- (c) December 31, 2020, subject to receipt by the Trustee of written notice by two (2) Directors and/or Officers of Fortress Specialty that no Liability Claims are outstanding, or such later date after all Liability Claims made have been satisfied as confirmed in writing by two (2) Directors or Officers of Fortress Specialty to the Trustee;

any of which dates shall be referred to as the "**Termination Date**".

Section 7.2 Consequence of Termination

Upon the termination of this Indenture in accordance with Section 7.1, the Trustee shall deliver the Trust Property then remaining, if any, to or on the direction of Fortress Specialty in accordance with a written direction of Fortress Specialty.

**ARTICLE 8
OTHER MATTERS**

Section 8.1 Governing Law

This Indenture shall be governed and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

Section 8.2 Assignment

Subject to Section 4.2 and Section 4.3(4), this Indenture may not be assigned by either the Company or the Trustee without the prior consent in writing of the other party. This Indenture shall be binding upon and enure to the benefit of the Company and the Trustee and their respective lawful successors and assigns.

Section 8.3 No Waiver, etc.

- (1) No waiver of any of the provisions of this Indenture shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.
- (2) No failure on the part of the Company or the Trustee to exercise, and no delay in exercising any right under this Indenture shall operate as a waiver of such right, nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

Section 8.4 Entire Agreement

This Indenture constitutes the entire agreement between the Company and the Trustee with respect to the issues contemplated herein and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of such parties. There are no conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Company and the Trustee in connection with the subject matter of this Indenture, except as specifically set forth herein, and the Company and the Trustee have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Indenture.

Section 8.5 Severability

If any provision of this Indenture shall be determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Indenture and the remaining provisions shall remain in full force and effect.

Section 8.6 Time of the Essence

Time is of the essence of this Indenture.

Section 8.7 Further Assurances

The Company and the Trustee shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may be reasonably necessary or desirable for the purpose of carrying out the provisions and intent of this Indenture.

Section 8.8 Counterpart Execution

This Indenture may be executed in any number of counterparts (including counterparts by facsimile, email or by other electronic means) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 8.9 Choice of Language

The Company and the Trustee hereby acknowledge that they have expressly required this document to be drawn up in the English language only. *La compagnie et l'administrateur reconnaissent par ceci qu'elles ont expressément exigé de ce document pour être élaborées dans l'anglais seulement.*

Section 8.10 Notice

Any notice, direction or other communication given under this Indenture shall be in writing and given by delivering it or sending it *via* facsimile, email or other similar form of recorded communication, addressed:

(a) to the Company at:

451 Rue Victoria
Thurso, Québec
J0X 3B0

Attention: Giovanni Iadeluca
Email: Giovanni@fortressge.com

with a copy to:

Stikeman Elliott
1155 Boulevard René-Lévesque West
Suite 4100
Montreal, Quebec
H3B 3V2

Attention: Guy P. Martel
Email: gmartel@stikeman.com

and with a copy to:

Each of the Directors listed at Schedule B by email (as listed in Schedule B)

(b) to the Trustee at:

TSX Trust Company
301-100 Adelaide Street W.
Toronto, ON M5H 4H1

Attention: Vice President, Trust Services
Fax: 416-361-0470
Email: tmxestaff-corporatetrust@tmx.com

Any other demand, notice or communication required or contemplated by this agreement shall be in writing and sent by personal delivery, courier, mail, email transmission or facsimile transmission addressed to the Company as indicated above, and to the Trustee as indicated above, or to such other address, individual, email address or facsimile number as may be designated by notice provided by either party to the other. Any notice, demand, consent, communication or confirmation delivered by (i) the Company to the Trustee pursuant to the terms of this Indenture shall at all times require the signatures of at least two (2) Directors of the Company unless otherwise specifically provided for herein, and shall copy each of the Directors listed at Schedule B; and (ii) the Trustee to the Company pursuant to the terms of this Indenture shall copy each of the Directors listed at Schedule B. In the event of actual or anticipated postal disruption, courier service, personal delivery, email transmission or facsimile transmission shall be used. Any demand, notice or other communication shall be deemed conclusively to have been received by the addressee (i) if sent by mail, five business days after posting; (ii) if sent by courier service or personal delivery, upon actual delivery; and (iii) if sent by facsimile transmission or email transmission, on the same business day if given during the ordinary business hours of the addressee, or the next following business day if given outside of such hours.

Any of the above parties may change his or its address for service from time to time by notice given in accordance

with the foregoing and any subsequent notice shall be sent to such party at its changed address.

[Signature page follows]

IN WITNESS WHEREOF this Indenture has been executed as of the date first written above.

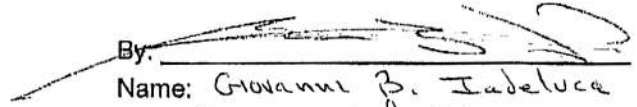
FORTRESS GLOBAL ENTERPRISES INC.,

By: 

Name: Giovanni B. Iadewca

Title: President & CEO

FORTRESS SPECIALTY CELLULOSE INC.

By: 

Name: Giovanni B. Iadewca

Title: President & CEO

FORTRESS BIOENERGY LTD.

By: 

Name: Giovanni B. Iadewca

Title: President & CEO

FORTRESS XYLITOL INC.

By: 

Name: Giovanni B. Iadewca

Title: President & CEO

TSX TRUST COMPANY

By: _____

Name:

Title:

By: _____

Name:

Title:

Schedule "A"
FORM OF CERTIFICATE TO THE TRUSTEE

TO: TSX Trust Company

CC: Each of the Directors listed as Schedule B (to be notified by email)

RE: Trust Indenture dated as of ●, 2019 (the "**Indenture**"), among Fortress Global Enterprises Inc. ("**Fortress Global**"), Fortress Specialty Cellulose Inc. ("**Fortress Specialty**"), Fortress Bioenergy Ltd. ("**Fortress Bioenergy**") and Fortress Xylitol Inc. ("Fortress Xylitol", together with Fortress Global, Fortress Specialty and Fortress Bioenergy, the "**Company**") and TSX Trust Company (the "**Trustee**").

Capitalized terms used in this Certificate and not otherwise defined shall have the meanings ascribed to them in the Indenture.

Pursuant to the Indenture, the undersigned hereby confirm that:

- a) an amount of C\$● is requested to be disbursed by the Trustee from the Trust Property (the "**Requested Amount**");
- b) the Requested Amount will be used to **[describe use]**, and accordingly, **[to pay Liability Claims which are not D & O Qualifying Claims] OR [to defend a D & O Qualifying Claim and to pay a D & O Qualifying Claim (or a portion thereof) that will not be defended or paid by the D & O Insurance because coverage is inadequate] OR [to defend a D & O Qualifying Claim and to pay a D & O Qualifying Claim (or a portion thereof) that will not be defended or paid by the D & O Insurance because coverage is disputed];**

[OR]

- b) the Requested Amount will be used to maintain D & O Insurance through the payment of premiums or other payments, since the Company has failed to do so;
- c) the use described in paragraph (b) above constitutes a Permitted Use;
- d) the Requested Amount should be paid to **[insert the identity of the payee]** by **[insert method and details for disbursement, i.e. certified cheque, wire or bank draft]**.

DATED this _____ day of _____, 201●.

[INSERT NAME OF SIGNATORY]

Per: _____
Director of ●

[INSERT NAME OF SIGNATORY]

Per: _____
Director of ●

Schedule "B"

Current Directors of Fortress Global Enterprises Inc.		
Directors	Effective Date	Email Address
Gerald Gaetz	January 4, 2016	ggaetz@payments.ca
Ezra Gardner	August 5, 2016	emg@varanacapital.com
Giovanni Iadaluca	October 1, 2019	Giovanni@fortressge.com
Joe Nemeth	October 17, 2012	joe.nemeth48@gmail.com
Anil Wirasekara	May 3, 2013	Anilw@shaw.ca
Current Directors of Fortress Specialty Cellulose Inc.		
Directors	Effective Date	Email Address
Marco Veilleux	May 10, 2010	MVeilleux@fortressge.com
Kurt Loewen	February 18, 2013	kurt@fortressge.com
Giovanni Iadaluca	December 5, 2018	Giovanni@fortressge.com
Current Directors of Fortress Bioenergy Ltd.		
Directors	Effective Date	Email Address
Kurt Loewen	October 18, 2010	kurt@fortressge.com
Giovanni Iadaluca	December 5, 2018	Giovanni@fortressge.com
Current Directors of Fortress Xylitol Inc.		
Directors	Effective Date	Email Address
Kurt Loewen	March 22, 2018	kurt@fortressge.com
Giovanni Iadaluca	March 22, 2018	Giovanni@fortressge.com
Mark Kirby	March 22, 2018	markhkirby@gmail.com

Current Officers of Fortress Global Enterprises Inc.		
Officers	Effective Date	Email Address
Giovanni Iadeluca	December 5, 2018	Giovanni@fortressge.com
Kurt Loewen	August 1, 2006	kurt@fortressge.com
Ken Leung	August 21, 2017	Ken@fortressge.com
Marco Veilleux	June 3, 2010	MVeilleux@fortressge.com
Current Officers of Fortress Specialty Cellulose Inc.		
Officers	Effective Date	Email Address
Giovanni Iadeluca	December 5, 2018	Giovanni@fortressge.com
Kurt Loewen	August 1, 2006	kurt@fortressge.com
Current Officers of Fortress Bioenergy Ltd.		
Officers	Effective Date	Email Address
Giovanni Iadeluca	December 5, 2018	Giovanni@fortressge.com
Kurt Loewen	August 1, 2006	kurt@fortressge.com
Current Officers of Fortress Xylitol Inc.		
Officers	Effective Date	Email Address
Giovanni Iadeluca	December 5, 2018	Giovanni@fortressge.com
Kurt Loewen	August 1, 2006	kurt@fortressge.com
Kent Smith	April 12, 2019	ksmith@fortressab.com

Schedule "C"

TO: TSX Trust Company

CC: Each of the Directors listed as Schedule B (to be notified by email)

RE: Trust Indenture dated as of ●, 2019 (the "**Indenture**"), among Fortress Global Enterprises Inc. ("**Fortress Global**"), Fortress Specialty Cellulose Inc. ("**Fortress Specialty**"), Fortress Bioenergy Ltd. ("**Fortress Bioenergy**") and Fortress Xylitol Inc. ("Fortress Xylitol", together with Fortress Global, Fortress Specialty and Fortress Bioenergy, the "**Company**") and TSX Trust Company (the "**Trustee**").

Capitalized terms used in this Notice and not otherwise defined shall have the meanings ascribed to them in the Indenture.

The undersigned hereby confirm that:

- a) Fortress Specialty hereby terminates the Indenture and the Trust created thereunder effective immediately;
- b) Fortress Specialty hereby irrevocably authorizes and directs the Trustee to release the balance of the Trust Property after deducting its outstanding fees and expenses, as soon as practicable after execution of this certificate, and to pay by way of wire transfer or direct deposit to the account as provided in Schedule "●" and this will be the Trustee's good, sufficient and irrevocable authority to do so; and
- c) Fortress Specialty hereby directs that all income accrued on the Trust Property is to be attributed to Fortress Specialty for tax reporting purposes.

Upon release of the remaining Trust Property by the Trustee as set out above, the Trustee shall be released from all of its obligations and duties under the Indenture.

Notwithstanding the foregoing, all provisions of the Indenture stated to be applicable after the termination of the Indenture shall continue to so apply, and in addition, Section 4.8 and all other provisions which limit the liability of the Trustee will survive the termination of the Indenture and Trust created thereunder.

[INSERT NAME OF SIGNATORY]

Per: _____
Officer of Fortress Specialty

[INSERT NAME OF SIGNATORY]

Per: _____
Officer of Fortress Specialty

Fédération des caisses Desjardins - AccèsD Affaires

Funds transfer order - Transaction receipt

Sender	Transaction description
Name: Fortress Specialty Cellulose Inc.	Account currency: CAD
Address : 925 GEORGIA ST W CATH VANCOUVER British Columbia, Canada V6C3L2	Amount debited: 1,300,000.00 CAD
Financial institution: 815 - 30429	Transfer charges: * 45.00 CAD
Account no.: 0380680-PCA	Total amount debited: 1,300,045.00 CAD

Transfer information	Beneficiary
Date: DEC 13, 2019	Name: TSX TRUST COMPANY
Time: 16:54:53	Address : 301 - 100 ADELAIDE ST W TORONTO, ON, M5H 4H1 Ontario, Canada
Confirmation no.: 34716-6SVRA	Reason for payment: FUNDS TRANSFER TO SECURE PAYROLL INTRUST
Payment type: SWIFT	Account no.: 1485529
Payment currency: CAD	Financial institution: 00100022 BANK OF MONTREAL 100 KING STREET WEST TORONTO Canada M5X 1A3
Amount transferred: 1,300,000.00 CAD	

* These fees will be debited from your account or, if applicable, settled according to the terms of the agreement with your caisse or the terms of your transaction plan. Correspondents may charge additional fees on the transferred amount.

Danny Duy Vu

De: Donald Crawford <donald.crawford@tmx.com>
Envoyé: Friday, December 13, 2019 5:44 PM
À: Giovanni Iadeluca
Cc: Mihai Ionescu; Boucher, Daniel (FSC); Chenier, Pascal (FSC); Guy P. Martel; Danny Duy Vu; Nathalie Nouvet; Kurt Loewen; Ken Leung; Popehn, John; Gilles.Seguin@bcf.ca; Claude.Paquet@bcf.ca; Gary.Rivard@bcf.ca; Winston Yee
Objet: Re: [EXTERNAL] RE: Confidential - Draft Trust Indenture
Pièces jointes: image001.png

I can confirm receipt of the 1.3 million and our fees.

Thanks,

Don

On Fri, Dec 13, 2019, 3:45 PM Giovanni Iadeluca, <Giovanni@fortressge.com> wrote:

Good afternoon Don,

The transfer of \$1.3M and the payment of the invoice will be completed within the next 15 minutes. Pascal or Daniel will confirm.

Please let me know if there are any other steps that need to be completed,

Giovanni

Giovanni B. Iadeluca, CPA, CA

Président

Bur : 819-985-5117

Cell : 819-664-6124

