

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 19TH
)
JUSTICE MORAWETZ) DAY OF OCTOBER, 2012
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF CINRAM INTERNATIONAL
INC., CINRAM INTERNATIONAL INCOME FUND, CII
TRUST AND THE COMPANIES LISTED IN SCHEDULE
"A"

Applicants

ORDER
(Appointment Order)

THIS MOTION, made by C International Inc., formerly Cinram International Inc. ("CII"), C International Income Fund, formerly Cinram International Income Fund, CII Trust and the companies listed in Schedule "A" hereto (collectively, the "**Applicants**"), pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing FTI Consulting Canada Inc. as receiver (in such capacity, the "**Receiver**"), without security, of the Limited Receivership Property (as defined below) being all of the bank accounts of CII located in Canada, representing all or substantially all of the inventory, accounts receivable or other property of CII used in relation to a business carried on by CII, and resulting in CII being subject to a receivership for the purposes of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, as amended (the "**WEPPA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Neill May, sworn October 12, 2012 (the “**May Affidavit**”), the Fourth Report of FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor (the “**Monitor**”) dated October 12, 2012 (the “**Monitor’s Fourth Report**”), and on hearing the submissions of counsel for the Applicants and Cinram International Limited Partnership (together with the Applicants, the “**CCAA Parties**”), the Monitor, the Pre-Petition First Lien Agent (as defined in the Initial Order) and the Pre-Petition Second Lien Agent (as defined in the Initial Order), and with the consent of the Ad Hoc Committee of Former Canadian Cinram Employees (the “**Ad Hoc Committee**”), and no one appearing and making submissions for any other person served with the Motion Record, although properly served as appears from the affidavit of Jesse Mighton sworn October 15, 2012, filed,

SERVICE

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

CAPITALIZED TERMS

2. THIS COURT ORDERS that unless otherwise indicated or defined herein, capitalized terms have the meaning given to them in the Monitor’s Fourth Report, the May Affidavit or the Initial Order.

DISMISSAL OF MOTION

3. THIS COURT ORDERS that the motion brought by the Ad Hoc Committee dated September 11, 2012 is hereby dismissed with prejudice.

LIFTING OF THE STAY

4. THIS COURT ORDERS that the stay of proceedings granted by this Court under the Initial Order is hereby lifted solely with respect to CII and the Limited Receivership Property and solely to allow: (a) the appointment of the Receiver over the Limited Receivership Property; and (b) the Receiver to act in respect of the Limited Receivership Property in accordance with the provisions of this Order.

APPOINTMENT

5. THIS COURT ORDERS that pursuant to Section 101 of the CJA, FTI Consulting Canada Inc. is hereby appointed Receiver, without security, solely of the bank account of CII listed on Schedule “B” hereto (the “**Limited Receivership Property**”) and of no other property or assets of CII.

6. THIS COURT DECLARES that the Receiver is a receiver within the meaning of Section 243(2)(b) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).

RECEIVER’S POWERS

7. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Limited Receivership Property and, without limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to:

- (a) take possession of and exercise control over the Limited Receivership Property;
- (b) exercise its statutory obligations under the WEPPA;
- (c) take any steps incidental to the exercise of these powers or the performance of any statutory obligations; and
- (d) engage counsel to assist with the exercise of the Receiver’s powers conferred by this Order.

8. THIS COURT ORDERS that the Receiver be and is hereby relieved from compliance with the provisions of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment in the prescribed form and manner to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

9. THIS COURT ORDERS that (i) CII, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on

its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Limited Receivership Property in such Person’s possession or control, shall grant immediate and continued access to the Limited Receivership Property to the Receiver, and shall deliver all such Limited Receivership Property to the Receiver upon the Receiver’s request.

10. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the Limited Receivership Property and the employees of CII for the purposes of complying with its statutory obligations under the WEPPA, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 9 or in paragraph 10 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

11. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its

discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

RECEIVER'S PROTECTIONS

12. THIS COURT ORDERS that the stay of proceedings in effect in accordance with paragraphs 20 and 22 of the Initial Order shall apply *mutatis mutandis* to any Proceeding (as defined in the Initial Order) or any right or remedy against or in respect of the Receiver and the Limited Receivership Property and nothing herein shall derogate from the stay of proceedings in effect pursuant to the Initial Order except solely to the extent provided in paragraph 4 hereof.

13. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the WEPPA, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

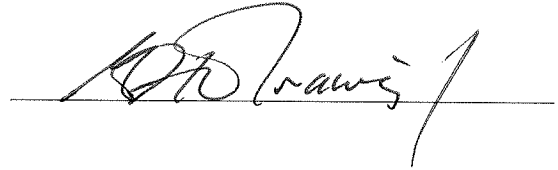
14. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of CII.

COSTS OF ADMINISTRATION

15. THIS COURT ORDERS that paragraphs 46, 47 and 48 of the Initial Order shall apply *mutatis mutandis* to the Receiver and the Receiver's legal counsel, including, without limitation, the Receiver and the Receiver's legal counsel shall be entitled to the benefit of the Administration Charge on the Charged Property (each as defined in the Initial Order) as security for their professional fees and disbursements incurred at their standard rates and charges subject to the maximum amount set out in the Initial Order and with the priority set out in the Initial Order. The fees and disbursements of the Receiver and the Receiver's counsel shall not be subject to section 246(3) of the BIA.

ADDITIONAL PROVISIONS

16. THIS COURT ORDERS that the CCAA Parties or the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

A handwritten signature in black ink, appearing to read "A. H. Rawis", is written over a horizontal line.

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

A handwritten scribble or mark, possibly initials, located to the left of the date stamp.

OCT 19 2012

SCHEDULE A

Additional Applicants

C International General Partner Inc., formerly Cinram International General Partner Inc.

CRW International ULC, formerly Cinram International ULC

1362806 Ontario Limited

CUSH Inc., formerly Cinram (U.S.) Holding's Inc.

CIHV Inc., formerly Cinram, Inc.

IHC Corporation

CMFG LLC, formerly Cinram Manufacturing LLC

CDIST LLC, formerly Cinram Distribution LLC

Cinram Wireless LLC

CRSMI LLC, formerly Cinram Retail Services, LLC

One K Studios, LLC

SCHEDULE B

Bank Account

C International Inc.'s GBP Account at HSBC Bank Canada

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
CINRAM INTERNATIONAL INC., CINRAM INTERNATIONAL INCOME FUND, CII
TRUST AND THE COMPANIES LISTED IN SCHEDULE "A"

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE-
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

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