

COURT FILE NUMBER 2201-12935
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF FORAGE SUBORDINATED DEBT LP III
DEFENDANTS ENTERRA FEED CORPORATION, ENTERRA FEED US CORPORATION, ENTERRA FEED US SALES CORPORATION, and ENTERRA FEED MARION CORPORATION
DOCUMENT **APPROVAL AND REVERSE VESTING ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT AIKINS LLP
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Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: February 13, 2023
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF MASTER/JUDGE WHO MADE THIS ORDER: JUSTICE B.E.C. ROMAINE

UPON the application (the "**Application**") of FTI Consulting Canada Inc. (the "**Receiver**"), in its capacity as the court-appointed receiver and manager of the undertakings, property and assets of the defendant, Enterra Feed Corporation ("**Enterra**"), in the within proceedings (the "**Receivership Proceedings**"), for an order approving the sale transaction (the "**Transaction**") contemplated by a subscription agreement attached hereto (the "**Agreement**") between Enterra, Forage Subordinated Debt LP III (the "**Purchaser**"), and 2488172 Alberta Ltd. (the "**ResidualCo**"), and attached as Schedule "**B**" hereto, including the reorganization transactions contemplated in Schedule "B" to the Agreement (the "**Reorganization**");

AND UPON HAVING READ the Receivership Order dated November 8, 2022 (the "**Receivership Order**"), the First Report of the Receiver, dated February 7, 2023 (the "**Report**") and the Affidavit of Service of Joy Mutuku, sworn on February ____, 2023 (the "**Service Affidavit**"), each filed; **AND UPON** hearing counsel for the Purchaser, counsel for the Receiver, and for any other parties who may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Application and the Report is abridged, if necessary, the Application is properly returnable today, service of the Application and the Report on the service list (the “**Service List**”) attached as Exhibit “__” to the Service Affidavit, in the manner described in the Service Affidavit, is good and sufficient, and no other persons other than those listed on the Service List, are entitled to service of the Application or the Report.

CAPITALIZED TERMS

2. Capitalized terms used herein but not otherwise defined in this Order shall have the meaning given to such terms in the Agreement.

APPROVAL OF THE TRANSACTION

3. The Agreement and the Transaction (including the Reorganization) are hereby approved, and the execution of the Agreement by the Receiver, for and on behalf of Enterra, is hereby authorized and approved, with such amendments to the Agreement as Enterra, the Purchaser and the ResidualCo may agree to with the consent of the Receiver. The performance by Enterra of its obligations under the Agreement is hereby authorized and approved and the Receiver and Enterra are hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, including, without limitation, the Reorganization.

REORGANIZATION

4. Enterra and ResidualCo are authorized to undertake and complete the Reorganization contemplated in Schedule “B” to the Agreement and, without limiting the generality of the foregoing, subject to the terms of the Agreement, upon the delivery of a Receiver’s certificate substantially in the form attached as Schedule “A” hereto (the “**Receiver’s Certificate**”) to Enterra and the Purchaser, the following shall be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Agreement:

- (a) All of Enterra's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in the name of ResidualCo and all Claims and Encumbrances attached to the Excluded Assets shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
 - (b) Concurrently with step (a) above, all Excluded Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in the name of ResidualCo, and the Excluded Liabilities shall be novated and become obligations of ResidualCo and not obligations of Enterra;
 - (c) Concurrently with steps (a) and (b) above, Enterra shall be forever released and discharged from such all Excluded Liabilities, and all Encumbrances securing Excluded Liabilities shall be forever released and discharged in respect of Enterra and the Retained Assets;
 - (d) Enterra shall: (i) create the Class A Common Shares, (ii) add a right to each of the issued and outstanding Existing Shares that allows for such shares to be redeemed by Enterra for the Existing Share Redemption Amount, and (iii) issue the Purchased Shares to the Purchaser in accordance with Section 2.1 and Schedule "C" of the Agreement, free and clear of any Claims or Encumbrances, in consideration of the receipt of the Subscription Cash by the Receiver from the Purchaser;
 - (e) Immediately after step (d) above, Enterra shall thereafter exercise, and be deemed to exercise, such right of redemption such that each of the Existing Shares shall be have been fully, completely and irrevocably redeemed by Enterra for the Existing Share Redemption Amount; and
 - (f) Immediately after step (e) above, any classes or series of shares in Enterra that have no shares issued or outstanding in that particular class or series shall be cancelled and all remaining Equity Interests in Enterra shall be cancelled;
5. Following the completion of the above steps the Subscription Cash shall be released by the Receiver for the benefit of ResidualCo, the Purchaser shall deliver the Subscription

Cash to Enterra and the Purchaser shall be the sole legal and beneficial shareholders of Enterra.

6. The Receiver, Enterra and ResidualCo, in completing the transactions contemplated in the Reorganization, are authorized:
 - (a) to execute and deliver any documents and assurances governing or giving effect to the Reorganization as the Receiver, Enterra and/or ResidualCo, in their discretion, may deem to be reasonably necessary or advisable to conclude the Reorganization, including the execution of all such ancillary documents as may be contemplated in the Agreement or necessary or desirable for the completion and implementation of the Reorganization, and all such ancillary documents are hereby ratified, approved and confirmed; and
 - (b) to take such steps as are, in the opinion of the Receiver, Enterra and/or ResidualCo, necessary or incidental to the implementation of the Reorganization.
7. The Receiver, Enterra and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.
8. This Order shall constitute the only authorization required by the Receiver, Enterra or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization and, except as specifically provided in the Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any governmental authority or regulatory body exercising jurisdiction in respect of Enterra is required for the due execution, delivery and performance by the Receiver, Enterra and by ResidualCo of the Agreement and the completion of the Transaction.

VESTING OF ASSETS AND LIABILITIES

9. Subject to the terms of the Agreement, upon the delivery of the Receiver's Certificate to Enterra and the Purchaser, the following shall be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Agreement:
- (a) all of Enterra's right, title and interest in and to the Excluded Assets (including, for certainty, the right to receive the Subscription Cash and Receiver's Cash) shall vest absolutely and exclusively in the name of ResidualCo and all Claims and Encumbrances attached to the Excluded Assets shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer;
 - (b) all Excluded Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in the name of ResidualCo, and the Excluded Liabilities shall be novated and become obligations of ResidualCo and not obligations of Enterra, and Enterra shall be forever released and discharged from such Excluded Liabilities, and all Encumbrances securing the Excluded Liabilities shall be forever released and discharged in respect of Enterra, provided that nothing in this Order shall be deemed to cancel any Encumbrances expressly permitted by the Agreement as against Enterra;
 - (c) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise of any demands, claims, actions, counterclaims, suits, judgements, or other remedy or recovery with respect to any indebtedness, liability, obligation or cause of action against Enterra in respect of the Excluded Liabilities shall be permanently enjoined;
 - (d) the nature of the Retained Liabilities retained by Enterra, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Agreement or the steps and actions taken in accordance with the terms thereof;
 - (e) the nature and priority of the Excluded Liabilities assumed by ResidualCo, including, without limitation, their amount and their secured or unsecured status,

shall not be affected or altered as a result of their transfer to and assumption by ResidualCo; and

- (f) any Person that, prior to the Closing Date, had a valid Claim against Enterra in respect of the Excluded Liabilities shall no longer have such Claim against Enterra but will have an equivalent Claim against ResidualCo (including, without limitation, in respect of the net proceeds of the Transaction received by ResidualCo pursuant to the Agreement) in respect of the Excluded Liabilities from and after the Closing Date in its place and stead, and, nothing in this Order limits, lessens or extinguishes the Excluded Liabilities or the Claim of any person as against ResidualCo.
10. Upon delivery of the Receiver's Certificate to Enterra and the Purchaser, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required in order to give effect to the terms of this Order and the Agreement.
11. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Agreement. Presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations such that the Retained Assets of Enterra shall be free from all Encumbrances.
12. The Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances as against the Retained Assets of Enterra.

COURT PROCEEDINGS

13. Upon the filing of the Receiver's Certificate:

- (a) ResidualCo shall be added as a debtor in these Receivership Proceedings and any reference in any Order of this Court in respect of these Receivership Proceedings to a "Debtor" shall refer to ResidualCo, *mutatis mutandis*;
- (b) Enterra shall be deemed to cease to be the Debtor in these Receivership Proceedings and shall be deemed to be released from the purview of any Order of this Court granted in respect of these Receivership Proceedings, save an except for this Order, the terms of which as they relate to Enterra shall continue to apply in all respects to Enterra; and
- (c) the title of these Receivership Proceedings is hereby, and shall be deemed to be, amended as follows:

DEFENDANT 2488172 ALBERTA LTD.

and any document filed thereafter in these Receivership Proceedings (other than the Receiver's Certificate) shall be filed using such revised title of proceedings.

THE RECEIVER

- 14. Without in any way limiting the Receiver's powers set out in the Receivership Order or any other Order of this Court in these Receivership Proceedings or applicable law, the Receiver is hereby authorized to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Receiver pursuant to this Order and the Agreement or any ancillary document related thereto, and shall incur no liability in connection therewith, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall affect, vary, derogate from, limit or otherwise amend any of the protections in favour of the Receiver at law, the Receivership Order or any other Order granted in these Receivership Proceedings.
- 15. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to Enterra and the Purchaser.
- 16. The Receiver may rely on written notice from Enterra and the Purchaser or their respective counsel regarding the satisfaction of the Purchase Price and the fulfillment of the conditions to closing under the Agreement and shall incur no liability with respect to the delivery of the Receiver's Certificate.

17. The Receiver, in addition to its prescribed rights and obligations under the Receivership Order, is authorized, entitled and empowered to assign or cause to be assigned, at any time after the Closing Date, ResidualCo into bankruptcy and the Receiver shall be entitled but not obligated to act as trustee in bankruptcy thereof.

RELEASE OF DIRECTORS

18. Effective upon the filing of the Receiver's Certificate, (i) Keith Driver and Jim Taylor, the present and/or former directors and officers of Enterra and ResidualCo, respectively, (or either of them) and (ii) the Receiver and its legal counsel (the persons listed in (i) and (ii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitations, claims for contribution and indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgements, executions recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the issuance of the Receiver's Certificate in connection with the Transaction (including the Reorganization) or completed pursuant to the terms of this Order (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties.

MISCELLANEOUS

19. Enterra shall not be obligated to make any payments or other distributions to Existing Holders in respect of the redemption of the Common Shares in circumstances where the total amount payable to any Existing Holder is equal to or less than the sum of two (\$2.00) dollars.
20. Notwithstanding:
 - (a) the pendency of these Receivership Proceedings and any declaration of insolvency made herein;

- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), in respect of ResidualCo, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of ResidualCo; and
- (d) the provisions of any federal or provincial statute,

the execution of the Agreement, the implementation of the Reorganization (including the transfer of the Excluded Assets and the Excluded Liabilities to ResidualCo and the issuance of the Purchased Shares to the Purchaser) and the implementation of the Transaction shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo, and shall not be void or voidable by creditors of ResidualCo, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 21. The actions and activities of the Receiver as set out in the First Report and the Confidential Supplement, including its fees and disbursements, are hereby ratified and approved.
- 22. The Receiver, Enterra, ResidualCo and the Purchaser shall each be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 23. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

24. Service of this Order shall be deemed good and sufficient by:

(a) serving the same on:

- (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
and,

(b) posting a copy of this Order on the Receiver's website at <http://104.46.125.158/Enterra/default.htm>.

and service on any other person is hereby dispensed with.

25. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"
RECEIVER'S CERTIFICATE

COURT FILE NUMBER	2201-12935
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	FORAGE SUBORDINATED DEBT LP III
DEFENDANTS	ENTERRA FEED CORPORATION, ENTERRA FEED US CORPORATION, ENTERRA FEED US SALES CORPORATION, and ENTERRA FEED MARION CORPORATION
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100 Livingston Place 222 3rd Avenue SW Calgary, AB T2P 0B4 Attention: Ryan Zahara Tel: (403) 693-5420 Fax: (403) 508-4349 Email: RZahara@mltaikins.com

RECITALS

- A. Pursuant to an Order of the Honourable Justice C.M. Jones of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated November 8, 2022, FTI Consulting Canada Inc., was appointed as the receiver and manager (the "**Receiver**") of all undertakings, property, and assets of Enterra Feed Corporation (the "**Debtor**") in these proceedings.
- B. Pursuant to an Order of the Honourable Justice B.E.C. Romaine dated February 13, 2023 the Court, *inter alia*, approved the agreement (the "**Agreement**") among Enterra, Forage Subordinated Debt LP III (the "**Purchaser**"), and 2488172 Alberta Ltd. (the "**ResidualCo**"), and the transactions contemplated thereby.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has satisfied the Purchase Price in accordance with the Agreement;
2. The conditions to Closing as set out in the Agreement have been satisfied or waived by Enterra and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at _____ [a.m./p.m.] on _____, 2023.

FTI CONSULTING CANADA INC. in its capacity as receiver and manager of the assets, undertaking and property of ENTERRA FEED CORPORATION and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "B"
THE SUBSCRIPTION AGREEMENT

[see attached]