

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

Applicants

**SUPPLEMENTAL MOTION RECORD
(Returnable February 25, 2016)
(Re Approval of Sale Transaction and Stay Extension)**

February 22, 2016

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

Applicants

**AFFIDAVIT OF ROBERT NICE
(Sworn February 20, 2016)
(Re Approval of Sale Transaction, Stay Extension and Distribution)**

I, Robert Nice, of the Town of Surrey, in the Province of British Columbia, MAKE
OATH AND SAY:

1. I am the Chief Financial Officer of the Applicants PT Holdco, Inc. ("Holdco"), Primus Telecommunications Canada Inc. ("Primus Canada"), PTUS, Inc. ("PTUS"), Primus Telecommunications, Inc. ("PTI") and Lingo, Inc. ("Lingo", and together with PTUS and PTI, the "U.S. Primus Entities", and collectively with Holdco and Primus Canada, the "Primus Entities" or the "Applicants"). As such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records of the Primus Entities and have spoken with certain of the directors, officers and/or employees of the Primus Entities, as necessary, and where I have relied upon such information do verily believe such information to be true.

2. This affidavit is supplemental to the affidavit of Michael Nowlan sworn February 2, 2016 (the "Sale Approval Affidavit") and is sworn in support of a motion seeking:

- (a) an order (the "Approval and Vesting Order"), substantially in the form of the draft order¹ located at Tab 2 of the Supplemental Motion Record, approving, among other things, the Birch APA (as defined below); and
- (b) an order (the "Stay Extension and Distribution Order"), substantially in the form of the draft order² located at Tab 3 of the Supplemental Motion Record, among other things, extending the Stay Period (as defined in paragraph 14 of the Initial Order made January 19, 2016 (the "Initial Order")) until September 19, 2016 and authorizing and directing the Monitor to make distributions from the proceeds of the sale contemplated by the Birch APA.

3. Details regarding the background to this CCAA proceeding are set out in the in the first affidavit of Michael Nowlan, sworn January 18, 2016, in support of the Initial Order (the "Initial Order Affidavit"), and in the Sale Approval Affidavit and, unless relevant to the present motion, are not repeated herein.

4. Capitalized terms not defined herein have the meaning ascribed to them in the Sale Approval Affidavit.

A. STATUS OF THE TRANSACTION

5. As described in the Sale Approval Affidavit, the Primus Entities, as vendors (in such capacity, the "Vendors"), have entered into an asset purchase agreement dated January 19, 2016 (the "Birch APA") with Birch Communications, Inc., as purchaser ("Birch", and Birch or its permitted assign(s) pursuant to the Birch APA,

¹ A blackline to the version of the Order previously served is also attached at Tab 2.

as applicable, in such capacity, the "Purchaser") for the sale of all or substantially all of the Vendors' assets.

Resolution of Objections with Respect to Relief Sought

6. As described in greater detail in the Sale Approval Affidavit, Manulife raised certain objections to the approval of the Birch APA and Comwave commenced an action against, among others, Primus Canada, FTI, and Origin in connection with the SISP.

7. On February 10, 2016, counsel to Comwave informed the Service List by email that Comwave intended to discontinue its action, would not oppose approval of the Birch APA, and would not be filing responding material or conducting any cross examinations in respect of the approval of the Birch APA and related relief. A copy of the email is attached hereto as **Exhibit "A"**.

8. Also on February 10, 2016, counsel to Manulife informed the Service List by email that Manulife would not be taking a position with respect to the approval of the Birch APA and related relief. A copy of the email is attached hereto as **Exhibit "B"**.

Status of Birch APA

9. As of the date of this affidavit, the only significant outstanding condition precedent (other than obtaining the Approval and Vesting Order, the Assignment Order and recognition orders in the U.S.) is the requirement that the Purchaser has obtained "Competitive Local Exchange Carrier" (CLEC) status with the Canadian Radio-television and Telecommunications Commission, a regulatory precondition to operating in the Primus Entities' industry. I understand that the Purchaser has been informed of the regulatory preconditions to obtaining CLEC status by the

² A blackline to the version of the Order previously served is also attached at Tab 3.

Closing Date and expects that it will have obtained CLEC status by the Closing Date.

10. I understand that there are no material issues impacting on the closing of the U.S. portion of the Sale Transaction, which is otherwise progressing in accordance with the timeline contemplated in the Birch APA. Critically, the approvals of the Federal Communications Commission ("FCC") or a State regulator, required to transfer a particular Primus Entity customer account and/or relationship to the Purchaser, those approvals are progressing and expected to be obtained in due course.

11. I understand that the remainder of the closing conditions (e.g., delivery of closing deliverables) will be satisfied at the time of closing of the Sale Transaction.

Status of Assignments

12. The Birch APA contemplates that the Vendors will assign to the Purchaser certain contracts identified as the "Essential Contracts", which are listed in Schedule "B" to the Birch APA (as may be amended from time to time). As noted in the Sale Approval Affidavit, it is a condition precedent to closing the Sale Transaction that the Essential Contracts be assigned, either by consent of the parties or by order of the Court.

13. On February 18, 2016, at the suggestion of the Purchaser and on consent of the Primus Entities and the Monitor, the hearing of the motion in support of the order assigning the rights and obligations of the Primus Entities to the Purchaser (the "Assignment Order") was adjourned to March 2, 2016. The hearing for the recognition orders in the U.S. have been adjourned to March 4, 2016.

14. The Primus Entities continue to work towards obtaining consents for any Essential Contracts which remain outstanding prior to the return date of the

Assignment Order motion, and will provide a detailed update on the status of those Essential Contracts prior to the hearing of that motion.

B. DISTRIBUTION ORDER

15. The Approval and Vesting Order provides that the Closing Cash Payment (as defined in the Birch APA) is to be held by the Monitor in a designated account (the "Designated Account") subject to further order of this Court.

16. In respect of the proceeds from the Sale Transaction, the Primus Entities are seeking an order authorizing the Monitor to make the following disbursements:

- (a) Disbursements of an initial amount to be paid to Origin, the Primus Entities' financial advisor, following closing of the Sale Transaction, with subsequent payments made when the adjustments are determined and the release of amounts from the Regulated Customer Relationships Escrow is complete (the "Origin Payment");
- (b) Disbursements to the Bank of Montreal as administrative agent ("Agent") for the Primus' Entities senior secured lenders (collectively, the "Syndicate"), in an amount not exceeding the maximum amount of the Syndicate's secured obligations ("Senior Secured Obligations") owing by the Primus Entities (the "Syndicate Distributions"), subject to the maintenance of the Holdback (as defined and described in greater detail below);
- (c) Disbursements, following instructions from the Primus Entities on account of amounts owed by the Primus Entities in respect of fees and the expenses of:
 - (i) the Monitor and the Monitor's legal counsel; and

- (ii) the Primus Entities' legal counsel (the amounts described in (i) and (ii) collectively, the "Professional Fees"); and
- (d) Disbursements, following instructions from the Primus Entities on account of any amounts owing by the Primus Entities in respect of goods and services supplied to the Primus Entities subsequent to the commencement of the CCAA proceedings (the "Post-Filing Expenses");
- (e) Disbursements, following instructions from the Primus Entities on account of any other obligations of the Applicants that rank in priority to the Senior Secured Obligations (the "Priority Claims") and any other amounts owing by the Primus Entities with the consent of the Monitor and the Agent.

The Holdback

17. The Stay and Distribution Order provides the Syndicate Distributions are to be made subject to maintenance of a holdback (the "Holdback"). The Holdback will be a reserve in an amount satisfactory to the Monitor in consultation with the Primus Entities or as determined by the Court for the payment of the Origin Payment, Professional Expenses and Post-Filing expenses and to secure the obligations under the Administration Charge, the D&O Charge (as each of these terms is defined in the Initial Order) and the Priority Claims. The amount of the Holdback will be reduced continually as items reserved for are paid.

The Syndicate Distributions

18. As explained in greater detail in the Sale Approval Affidavit, the Syndicate is the senior first-lien creditor of the Primus Entities, with a first-ranking security interest over all of the Primus Entities assets. The Primus Entities' second-lien creditors are fully subordinated to the Syndicate.

19. The Syndicate Distributions will be limited to the amount of money actually owing under the credit documents, subject to the Holdback.

The Origin Distributions

20. As described in the Sale Approval Affidavit, Origin was engaged by the Primus Entities pursuant to an engagement letter dated August 7, 2015 ("Origin Engagement Letter"), following a competitive selection process. Origin is a well-known and well-regarded financial advisor and investment banker and has significant experience in providing sale advisory services.

21. Origin's primary role was to assist in the development and implementation of the SISP. Origin solicited potentially interested parties, assisted with negotiations and was instrumental in evaluating the bids received. Origin's efforts have been of critical importance throughout the conduct of the SISP and were integral to achieving the Birch APA and the Sale Transaction. Ultimately, Origin's assistance was beneficial to the Primus Entities' stakeholders. Origin's fees are appropriate in the circumstances.

22. Origin is to be compensated by way of a transaction fee of 3% of the Transaction Value (as defined in the Origin Engagement Letter), less a credit in respect of work fees paid to date, payable on closing of the Sale Transaction. The Agent will be provided with prior written notice of the Origin Payment and will have an opportunity to object, should the Agent have any concerns. As the total Transaction Value will not be known until the adjustments provided for in the APA are finalized and the release of the Regulated Customer Relationships Escrow (as defined in the APA) is complete, the Origin's fees will be paid in increments.

The Professional Expenses

23. Although Professional Expenses are being paid in accordance with the provisions of the Initial Order, certain Professional Expenses will be unpaid on

Closing of the Transaction and additional Professional Expenses will be incurred after Closing. Accordingly, payment of Professional Expenses will be required following Closing.

The Post-Filing Expenses

24. Although Post-Filing Expenses are being paid in the normal course or as otherwise agreed with suppliers, the Post-Filing Expenses are not being assumed by the Purchaser and certain Post-Filing Expenses will be unpaid on Closing of the Transaction. Additional Post-Filing Expenses will be incurred after Closing. Accordingly, payment of Post-Filing Expenses will be required following Closing.

The Priority Claims

25. The proposed order provides for the payment of the Priority Claims, if any. The Agent will be provided with prior written notice of payment of any Priority Claims and will have an opportunity to object, should the agent have any concerns.

STAY EXTENSION TO SEPTEMBER 19, 2016

26. The Primus Entities have been working diligently since the commencement of the CCAA proceedings. Among other things, the Primus Entities have been:

- (a) Communicating with their stakeholders, including their customers and employees;
- (b) Addressing supply issues raised by their suppliers, including providing for payment in advance where necessary and the payment of pre-filing amounts where hardship would otherwise occur; and
- (c) Working towards the closing of the Sale Transaction.

27. The Initial Order granted a stay of proceedings up to and including February 18, 2016, which was subsequently extended to February 26, 2016. An extension of

the Stay Period up to and including September 19, 2016 is necessary to give the Primus Entities time to obtain the Assignment Order and appropriate recognition orders, close the Sale Transaction, complete the transfer of all U.S. assets (given the time required to obtain regulatory approval from the FCC and the relevant State regulator applicable for each Regulated Customer Relationship) and to complete the CCAA proceedings.

28. The Monitor's Second Report, served on February 19, 2016, included the Primus Entities' cash flow forecast that demonstrates, subject to the underlying assumptions, that the Primus Entities will have sufficient funds to continue operating to the anticipated date of the Closing of the Sale Transaction. Funds will be available from the sale proceeds to complete the CCAA proceedings thereafter.

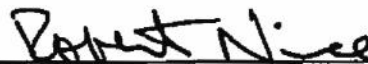
29. The Primus Entities have acted and continue to act in good faith and with due diligence. I do not believe that any creditor will suffer any material prejudice if the Stay Period is extended to September 19, 2016.

30. The stability provided by the stay of proceedings is critical to the Primus Entities in order to close the Sale Transaction and complete the winding down of their businesses within the CCAA proceedings.

SWORN BEFORE ME at the City of Vancouver, Province of British Columbia, on February 20, 2016.



Commissioner for Taking Affidavits



ROBERT NICE

Shawn Erker
Articled Student
Stikeman Elliott LLP
Suite 1700 Park Place 666 Burrard Street
Vancouver, British Columbia, Canada
A commissioner for taking affidavits in British Columbia

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**AFFIDAVIT OF ROBERT NICE
(SWORN FEBRUARY 20, 2016)**

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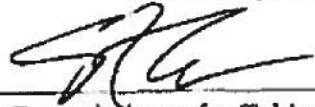
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Lawyers for the Applicants

This is Exhibit "A"
to the affidavit of Robert Nice,
sworn before me on the 20 day
of February, 2016



Commissioner for Taking Affidavits

Hamidi, Kamran

From: Fleming, Maurice <mfleming@millerthomson.com>
Sent: Wednesday, February 10, 2016 3:17 PM
To: Vlad Calina; Aaron Welch; SHALVIRI, ARYO; Brendan O'Neill; Caitlin Fell; Christopher Wayland; Dan Murdoch; David Hatter; Diane Winters; Domenico Magisano ; Sherkin, Eric; Eugène Lefebvre; Francois Gagnon; Greg Azeff; James Turgeon; John Chiarella; Hamidi, Kamran; Kevin O'Hara; Larry Brunt; linc.rogers@blakes.com; MacParland, Natasha ; Maria Konyukhova; Meakin, Nigel; Rachel Belanger; Roger Jaipargas; Ronald Carr; Samantha Horn; Shemin Manji; Bissell, Steven
Cc: Apps, Alfred
Subject: RE: Primus Entities (Court File No. CV-16-11257-00CL) [MTDMS-Legal,FID5874382]

As a matter of courtesy, we wish to advise the Service List that our client, Comwave Networks Inc., (i) intends to discontinue its action against Primus Telecommunications Canada Inc., Origin Merchant Partners, FTI Consulting Canada Inc. and FTI Consulting Canada ULC (Court File No. CV 16- 544689), (ii) will not be opposing the pending motion of Primus related to the approval of the sale to Birch Communications Inc. and (iii) will not be filing responding material or conducting any cross examinations in respect of same. Thank you.

Maurice V. Fleming
 Partner, Miller Thomson LLP
 Direct Line: 416.595.8686

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This is Exhibit "B"
to the affidavit of Robert Nice,
sworn before me on the 20 day
of February, 2016



Commissioner for Taking Affidavits

Hamidi, Kamran

From: De Caria, Stephanie <sdecaria@foglers.com>
Sent: Wednesday, February 10, 2016 5:45 PM
To: 'Maria Konyukhova'
Cc: 'Vlad Calina'; 'Aaron Welch'; 'Brendan O'Neill'; 'Caitlin Fell'; 'Christopher Wayland'; 'Dan Murdoch'; 'David Hatter'; 'Diane Winters'; 'Domenico Magisano'; 'Eric Sherkin'; 'Eugéne Lefebvre'; 'Francois Gagnon'; 'Azeff, Greg'; 'James Turgeon'; 'John Chiarella'; 'Hamidi, Kamran'; 'Kevin O'Hara'; 'Larry Brunt'; 'MacParland, Natasha'; 'Maurice Fleming'; 'Meakin, Nigel'; 'Rachel Belanger'; 'Roger Jaipargas'; 'Ronald Carr'; 'Samantha Horn'; 'Shemin Manji'; 'Bissell, Steven'; 'ROGERS, LINC'; 'asternberg@torys.com'; 'vberditchevski@torys.com'; 'WEISZ, STEVEN'
Subject: Primus Entities - Motion returnable February 23 2016

Good evening all,

As a courtesy, we wish to advise that our client, Manulife, does not intend to take a position with respect to the Primus Entities' motion returnable February 23rd 2016.

Regards,
Stephanie



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TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) THURSDAY, THE 25th
JUSTICE NEWBOULD) DAY OF FEBRUARY, 2016
)

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

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

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the "Vendors") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (as may be amended, restated or modified from time to time in accordance with paragraph 2 hereof, the "Sale Agreement") between the Vendors and Birch Communications, Inc. ("Birch", and Birch or its permitted assign pursuant to the Sale Agreement, as applicable, being the "Purchaser") dated January 19, 2016 and appended to the affidavit of Michael Nowlan sworn February 2, 2016 (the "Nowlan Affidavit"), and vesting in the Purchaser the Vendors' right, title and interest in and to the assets described and defined in the Sale Agreement as the "Purchased Assets" (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Nowlan Affidavit and the First Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "Monitor") of the Vendors, the affidavit of Robert Nice sworn February 20, 2016, the First Report of the Monitor, dated February 10, 2016 and the Second Report of the Monitor, dated February 19, 2016, and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser, Bell Canada and BCE Nexxia Corp. and those other parties present, no one appearing for any other person on the service list, although properly

served as appears from the affidavits of Vlad Calina sworn February 2, 2016 and February 22, 2016 filed:

1. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.

4. THIS COURT ORDERS AND DECLARES that, other than the transfer of the Regulated Customer Relationships which shall vest absolutely in the Purchaser free and clear of and from any and all Encumbrances (as defined below) when such Regulated Customer Relationships transfer to the Purchaser in accordance with the terms of the Sale Agreement, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Vendors' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed or constructive trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, taxes, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Penny dated January 19, 2016; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are

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

5. THIS COURT ORDERS AND DIRECTS the Monitor:

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

in each case, unless otherwise ordered by the Court.

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

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

7. THIS COURT ORDERS that the Purchaser shall pay the aggregate amount of Cure Costs (the "Cure Cost Amount") to the Monitor and the Monitor is authorized and directed to:

- (i) hold the Cure Cost Amount in the Designated Account; and
- (ii) disburse from the Designated Account, the amount of Cure Costs as agreed by the Purchaser, the counterparty to each applicable Assumed Contract (each a "Counterparty") and the Vendors, with the consent of the Monitor, or ordered by this Court, in full and final satisfaction of any Cure Costs owing to the Counterparty by no later than the day that is 3 business days from the date that the Monitor receives wire remittance instructions or other satisfactory payment instructions from such Counterparty (provided Closing has occurred).

8. THIS COURT ORDERS that, except for gross negligence or willful misconduct, the Monitor shall incur no liability with respect to the payment of Cure Costs or its administration of the Designated Account, the Regulated Customer Relationships Escrow and the Escrow Account.

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

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

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

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

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

14. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendors and shall not be void or voidable by creditors of the Vendors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable

transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

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

17. THIS COURT ORDERS AND DECLARES that the sales and investor solicitation process described in the Nowlan Affidavit (the "SISP") is approved *nunc pro tunc*.

18. THIS COURT ORDERS AND DECLARES that the actions of the Primus Entities and their advisors, including Origin Merchant Partners and FTI Consulting Canada Inc. in developing and implementing SISP and entering into the Sale Agreement and any ancillary agreements are approved *nunc pro tunc*.

19. THIS COURT ORDERS that the Pre-filing Report of FTI Consulting Canada Inc. in its capacity as the proposed monitor of the Primus Entities dated January 18, 2016 and the First Report of the Monitor dated February 10, 2016 and the activities of the proposed monitor and the Monitor described therein are hereby approved.

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

Schedule A - Form of Monitor's Certificate

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

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

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

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Penny of the Ontario Superior Court of Justice (the "Court") dated January 19, 2016, Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the "Vendors") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 and FTI Consulting Canada Inc. was appointed as the Monitor (the "Monitor") of the Vendors.

B. Pursuant to an Order of the Court dated February 25, 2016 (the "Approval and Vesting Order"), the Court approved the agreement of purchase and sale made as of January 19, 2016 (as may be amended, restated or modified from time to time, the "Sale Agreement") between the Vendors and Birch Communications Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Vendors' right, title and interest in and to the Purchased Assets (other than the Regulated Customer Relationships, which shall vest in the Purchaser in accordance with the terms of the Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Closing Cash Payment; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Vendors and

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

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

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

THE MONITOR CERTIFIES the following:

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

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

Per: _____
Name:
Title:

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)
JUSTICE ~~PENNY~~NEWBOULD) ~~WEEKDAY~~THURSDAY, THE ~~17~~25th
DAY OF FEBRUARY, 2016
)

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

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

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the "Vendors") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (as may be amended, restated or modified from time to time in accordance with paragraph 2 hereof, the "Sale Agreement") between the Vendors and Birch Communications, Inc. ("Birch", and Birch or its permitted assign pursuant to the Sale Agreement, as applicable, being the "Purchaser") dated January 19, 2016 and appended to the affidavit of Michael Nowlan sworn February 2, 2016 (the "Nowlan Affidavit"), and vesting in the Purchaser the Vendors' right, title and interest in and to the assets described and defined in the Sale Agreement as the "Purchased Assets" (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Nowlan Affidavit and the First Report of FTI Consulting Canada Inc. in its capacity as Monitor (the "Monitor") of the Vendors, the affidavit of Robert Nice sworn February 20, 2016, the First Report of the Monitor, dated February 10, 2016 and the Second Report of the Monitor, dated February 19, 2016, and on hearing the submissions of counsel for the Monitor, the Vendors, the Purchaser, Bell Canada and BCE Nexxia Corp. and those other

parties present, no one appearing for any other person on the service list, although properly served as appears from the ~~affidavit~~affidavits of Vlad Calina sworn February 2, 2016 and February 22, 2016 filed:

1. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Sale Agreement.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Purchaser, with the approval of the Monitor, may agree upon. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS that the Vendors are authorized and directed to perform their obligations under the Sale Agreement and any ancillary documents related thereto.
4. THIS COURT ORDERS AND DECLARES that, other than the transfer of the Regulated Customer Relationships which shall vest absolutely in the Purchaser free and clear of and from any and all Encumbrances (as defined below) when such Regulated Customer Relationships transfer to the Purchaser in accordance with the terms of the Sale Agreement, upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Monitor's Certificate"), all of the Vendors' right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed or constructive trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, taxes, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Penny dated January 19, 2016; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal*

Property Security Act (Ontario) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS AND DIRECTS the Monitor:

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

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

6. THIS COURT ORDERS that Monitor is authorized and directed, subject to further Order of this Court, to hold the Closing Cash Payment in the Designated Account and that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets, including the net proceeds from the sale of the Regulated Customer Relationships when released from the Escrow Account shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. THIS COURT ORDERS that the Purchaser shall pay the aggregate amount of Cure Costs (the "Cure Cost Amount") to the Monitor and the Monitor is authorized and directed to:

- (i) hold the Cure Cost Amount in the Designated Account; and
- (ii) disburse from the Designated Account, the amount of Cure Costs as agreed by the Purchaser, the counterparty to each applicable Assumed Contract (each a "Counterparty") and the Vendors, with the consent of the Monitor, or ordered by this Court, in full and final satisfaction of any Cure Costs owing to the Counterparty by no later than the day that is 3 business days from the date that the Monitor receives wire remittance instructions or other satisfactory payment instructions from such Counterparty (provided Closing has occurred).

8. THIS COURT ORDERS that, except for gross negligence or willful misconduct, the Monitor shall incur no liability with respect to the payment of Cure Costs or its administration of the Designated Account, the Regulated Customer Relationships Escrow and the Escrow Account.

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

10. ~~8~~—THIS COURT ORDERS that the Monitor may rely on written notice from the Vendors and the Purchaser regarding fulfillment of conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor’s Certificate.

11. ~~9~~—THIS COURT ORDERS that upon the registration in the Canadian Intellectual Property Office of a copy of this Order, the applicable Registrar is hereby directed to transfer all of the Vendors’ right, title and interest in and to the Purchased Intellectual Property to the Purchaser, free and clear of and from any and all Claims.

12. ~~10~~—THIS COURT ORDERS that, provided that the Sale Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Vendors shall not derogate or otherwise affect any right or obligation of the Vendors or the Purchaser under the Sale Agreement unless otherwise agreed by the Vendors and the Purchaser.

13. ~~11~~—THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors’ records pertaining to the Vendors’ past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

14. ~~12~~—THIS COURT ORDERS that, notwithstanding:

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

- (c) any assignment in bankruptcy made in respect of the Vendors;

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

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

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

17. ~~15.~~ THIS COURT ORDERS AND DECLARES that the sales and investor solicitation process described in the Nowlan Affidavit (the "SISP") is approved *nunc pro tunc*.

18. ~~16.~~ THIS COURT ORDERS AND DECLARES that the actions of the Primus Entities and their advisors, including Origin Merchant Partners and FTI Consulting Canada Inc. in developing and implementing SISP and entering into the Sale Agreement and any ancillary agreements are approved *nunc pro tunc*.

19. ~~17.~~ THIS COURT ORDERS that the Pre-filing Report of FTI Consulting Canada Inc. in its capacity as the proposed monitor of the Primus Entities dated January 18, 2016 and the First Report of the Monitor dated ~~February 10, 2016~~ and the activities of the proposed monitor and the Monitor described therein are hereby approved.

20. ~~18.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Vendors and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Vendors and the Monitor and their agents in carrying out the terms of this Order.

Schedule A – Form of Monitor’s Certificate

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

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

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

Applicants

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Penny of the Ontario Superior Court of Justice (the “Court”) dated January 19, 2016, Primus Telecommunications Canada Inc., Primus Telecommunications, Inc. and Lingo, Inc. (the “Vendors”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 and FTI Consulting Canada Inc. was appointed as the Monitor (the “Monitor”) of the Vendors.

B. Pursuant to an Order of the Court dated February 17, 2016 (the “Approval and Vesting Order”), the Court approved the agreement of purchase and sale made as of January 19, 2016 (as may be amended, restated or modified from time to time, the “Sale Agreement”) between the Vendors and Birch Communications Inc. (the “Purchaser”) and provided for the vesting in the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets

(other than the Regulated Customer Relationships, which shall vest in the Purchaser in accordance with the terms of the Approval and Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Closing Cash Payment; (ii) that the conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser (as applicable); and (iii) the Transaction has been completed to the satisfaction of the Monitor.

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

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

THE MONITOR CERTIFIES the following:

1. The Vendors and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Sale Agreement have been satisfied and/or waived, as applicable;

2. The Monitor has received the Closing Cash Payment, Cure Cost Amount and the Regulated Customer Relationships Escrow, if applicable; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

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

Per: _____
Name:
Title:

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 25TH
JUSTICE NEWBOULD) DAY OF FEBRUARY, 2016

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

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

Applicants

STAY EXTENSION AND DISTRIBUTION ORDER

THIS MOTION, made by PT Holdco, Inc. ("**Holdco**"), Primus Telecommunications Canada Inc. ("**Primus Canada**"), PTUS, Inc. ("**PTUS**"), Primus Telecommunications, Inc. ("**PTI**") and Lingo, Inc. ("**Lingo**", and together with PTUS, PTI, Holdco and Primus Canada, the "**Primus Entities**") for an order: (i) approving an extension of the stay of proceedings referred to in the Initial Order made January 19, 2016 (the "**Initial Order**"), to September 19, 2016; and (ii) authorizing and directing FTI Consulting Canada Inc., in its capacity as Monitor of the Primus Entities (the "**Monitor**"), to disburse the Origin Fees (as the term is defined below) to Origin Merchant Partners ("**Origin**"); (iii) authorizing and directing the Monitor to make the Syndicate Distribution and the Additional Syndicate Distributions, in each case subject to maintaining the amount of the Holdback (as each term is defined below); (iv) authorizing the Monitor to disburse from time to time, amounts owing by the Primus Entities in respect of Priority Claims (as the term is defined below); (v) authorizing the Monitor to disburse, from time to time, amounts owing by the Primus Entities in respect of fees and expenses of the Monitor and the Monitor's legal counsel and of the legal counsel to the Primus Entities (collectively, the "**Professional Expenses**"); and (vi) authorizing the Monitor to disburse from the Designated Account, from time to time, on instruction from the

Primus Entities, any amounts owing by the Primus Entities in respect of obligations incurred by the Primus Entities since the commencement of these *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-3 proceedings (collectively, the "Post-Filing Expenses") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn February 2, 2016 and the Exhibits attached thereto, the affidavit of Robert Nice sworn February 20 2016, the First Report of the Monitor, dated February 10, 2016 and the Second Report of the Monitor, dated February 19, 2016, and on hearing the submissions of counsel for the Monitor, the Applicants, the Agent (as defined below) those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavits of service of Vlad Calina sworn February 2, 2016, and February 22, 2016, filed:

SERVICE

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

EXTENSION OF STAY OF PROCEEDINGS PERIOD

2. **THIS COURT ORDERS** that the Stay Period defined in paragraph 14 of the Initial Order is extended until September 19, 2016.

PAYMENTS TO THE DESIGNATED ACCOUNT

3. **THIS COURT ORDERS** that, at any time after date of this Order, the Primus Entities are authorized and permitted to deposit and pay over any cash on hand to the Monitor to be deposited to the Designated Account (as defined in the Approval and Vesting Order dated February 25, 2016, "Approval and Vesting Order") and disbursed in accordance with this Order.

APPROVAL OF INTERIM AND FUTURE DISTRIBUTIONS

4. **THIS COURT ORDERS** that in consultation with the Primus Entities the Monitor is hereby authorized and directed to disburse to Origin from the Designated Account, the amounts owing to Origin (the "Origin Fees") under the engagement letter dated August 7, 2015 (the "Origin Engagement") by way of:

- (a) an initial payment in an amount, which in the Monitor's view represents the minimum amount of Origin Fees that would be payable pursuant to the terms of the Origin Engagement (the "Initial Origin Payment"), within five (5) business days after the day of filing the Monitor's Certificate referred to in the Approval and Vesting Order (the "Monitor's Certificate");
- (b) further distributions, if needed, from time to time, up to a maximum amount of the Origin Fees that would be payable pursuant to the terms of the Origin Engagement (the "Additional Origin Distributions" and together with the Initial Origin Payment, the "Origin Payment");

in each case, provided that the Agent (as defined below) has been provided with at least seven days' notice of any Origin Payment setting out the quantum and scheduled date of such payment and has not provided the Monitor with a written objection to such payment at least one day before the scheduled date of such payment. If such written objection is received by the Monitor, the applicable Origin Payment shall not be made unless and until the objection is resolved by agreement to the satisfaction of the Monitor, the Primus Entities, the Agent and Origin or by further Order of the Court.

5. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to disburse from the Designated Account, within five business days from the day of filing the Monitor's Certificate, to Bank of Montreal as administrative agent (the "Agent") for Bank of Montreal, HSBC Bank Canada and ATB Corporate Financial Service (collectively, the "Syndicate"), an amount not exceeding the maximum amount of the Syndicate's secured obligations ("Senior Secured Obligations") owing by the Primus Entities under the Credit

Agreement dated July 31, 2013 (as amended by an amending agreement dated September 23, 2014) (the "Syndicate Distribution"), subject to the maintenance of a holdback of funds in the Designated Account (the "Holdback"), in an amount satisfactory to the Monitor in consultation with the Primus Entities or in an amount determined by the Court, for the payment of the Origin Payment, Professional Expenses and Post-Filing Expenses and to secure the obligations under the Administration Charge, D&O Charge (each as defined in the Initial Order), and any other obligations of the Applicants that rank in priority to the Syndicate's Senior Secured Obligations (the "Priority Claims").

6. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to make further distributions to the Agent from the Designated Account, if needed, from time to time, up to a maximum amount of the Syndicate's secured obligations ("**Additional Syndicate Distributions**"), but in each case subject to the Holdback.

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

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

9. **THIS COURT ORDERS** that the Monitor, on instruction from the Primus Entities and on behalf of the Primus Entities, is hereby authorized and empowered, to disburse from time to time from the Designated Account, amounts owing by the Primus Entities in respect of Priority Claims (and any other amounts owing by the Primus Entities with the consent of the Monitor and the Agent), if any, provided that the Agent has been provided at least seven days' notice of any Priority Claims payment setting out the quantum and scheduled date of such payment and has not provided the Monitor with a written objection to such payment at least one day before the scheduled date of such payment. If such written objection is received by the Monitor, the applicable Priority Claims payment shall not be made unless

and until the objection is resolved by agreement to the satisfaction of the Monitor, the Primus Entities, the Agent and the applicable Priority Claims claimant or by further Order of the Court.

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

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

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

11. **THIS COURT DECLARES** that no action lies against the Monitor, its affiliates, agents, employees, officers or directors, by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court.

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

13. **THIS COURT DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and

complement this Order. All courts and jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

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

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**STAY EXTENSION AND
DISTRIBUTION ORDER**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
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TAB A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
) ~~WEDNESDAY~~THURSDAY, THE ~~17~~25TH
)
JUSTICE ~~PENNY~~NEWBOULD DAY OF FEBRUARY, 2016

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

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

Applicants

STAY EXTENSION AND DISTRIBUTION ORDER

THIS MOTION, made by PT Holdco, Inc. ("**Holdco**"), Primus Telecommunications Canada Inc. ("**Primus Canada**"), PTUS, Inc. ("**PTUS**"), Primus Telecommunications, Inc. ("**PTI**") and Lingo, Inc. ("**Lingo**", and together with PTUS, PTI, Holdco and Primus Canada, the "**Primus Entities**") for an order: (i) approving an extension of the stay of proceedings referred to in the Initial Order ~~of the Honourable Justice Penny dated~~made January 19, ~~2016, 2016~~ (the "**Initial Order**"), to September 19, 2016; and (ii) authorizing and directing FTI Consulting Canada Inc., in its capacity as Monitor of the Primus Entities (the "**Monitor**"), to ~~make~~disburse the Origin ~~Disbursement Fees~~ (as the term is defined below) to Origin Merchant Partners ("**Origin**"); (iii) authorizing and directing the Monitor to make the Syndicate Distribution and the Additional Syndicate Distributions, in each case subject to maintaining the amount of the Holdback (as each term is defined below); (iv) authorizing the Monitor to disburse from ~~the Holdback~~time to time, amounts owing by the Primus Entities in respect of Priority Claims (as the term is defined below); (v) authorizing the

Monitor to disburse, from time to time, amounts owing by the Primus Entities in respect of fees and expenses of the Monitor, ~~and the Monitor's legal counsel and other advisors and of the legal counsel and other advisors~~ to the Primus Entities (collectively, the "Professional Expenses"); and (vvi) authorizing the Monitor to disburse from the ~~Holdback~~ Designated Account, from time to time, on instruction from the Primus Entities, any amounts owing by the Primus Entities in respect of obligations incurred by the Primus Entities since the commencement of these *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-3 proceedings (collectively, the "Post-Filing Expenses") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Nowlan sworn February 17, 2016 and the Exhibits attached thereto, the affidavit of Robert Nice sworn February 20 2016, the First Report of the Monitor, dated February 17, 2016 and the Second Report of the Monitor, dated February 19, 2016, and on hearing the submissions of counsel for the Monitor, the Applicants, the Agent (as defined below) those other parties present, no one appearing for any other person on the service list, although duly served as appears from the ~~affidavit~~ affidavits of service of Vlad Calina sworn February 2, 2016, and February 22, 2016, filed:

SERVICE

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

EXTENSION OF STAY OF PROCEEDINGS PERIOD

2. **THIS COURT ORDERS** that the Stay Period ~~referred to~~ defined in paragraph 14 of the Initial Order of the Honourable Justice Penny dated January 19, 2016, is extended until September 19, 2016.

PAYMENTS TO THE DESIGNATED ACCOUNT

3. THIS COURT ORDERS that, at any time after date of this Order, the Primus Entities are authorized and permitted to deposit and pay over any cash on hand to the Monitor to be deposited to the Designated Account (as defined in the Approval and Vesting Order dated February 25, 2016, "Approval and Vesting Order") and disbursed in accordance with this Order.

APPROVAL OF INTERIM AND FUTURE DISTRIBUTIONS

4. ~~3-~~THIS COURT ORDERS that in consultation with the Primus Entities the Monitor is hereby authorized and directed to disburse to Origin from the Designated Account, the amounts owing to Origin Merchant Partners (the "Origin Fees") under the engagement letter dated August 7, 2015 (the "Origin Disbursement") within five (5) business days after the later of (i) the day of filing the Monitor's Certificate referred to in the Approval and Vesting Order of the Honourable Justice Penny dated February 17, 2016 (the "Monitor's Certificate") and (ii) receipt of an invoice issued by Origin for the Origin Disbursement Engagement") by way of:

- (a) an initial payment in an amount, which in the Monitor's view represents the minimum amount of Origin Fees that would be payable pursuant to the terms of the Origin Engagement (the "Initial Origin Payment"), within five (5) business days after the day of filing the Monitor's Certificate referred to in the Approval and Vesting Order (the "Monitor's Certificate");
- (b) further distributions, if needed, from time to time, up to a maximum amount of the Origin Fees that would be payable pursuant to the terms of the Origin Engagement (the "Additional Origin Distributions" and together with the Initial Origin Payment, the "Origin Payment");

in each case, provided that the Agent (as defined below) has been provided with at least seven days' notice of any Origin Payment setting out the quantum and scheduled date of such payment and has not provided the Monitor with a written

objection to such payment at least one day before the scheduled date of such payment. If such written objection is received by the Monitor, the applicable Origin Payment shall not be made unless and until the objection is resolved by agreement to the satisfaction of the Monitor, the Primus Entities, the Agent and Origin or by further Order of the Court.

5. ~~4-~~ THIS COURT ORDERS that the Monitor is hereby authorized and directed to disburse from the Designated Account, within five business days from the day of filing, the Monitor's Certificate, to Bank of Montreal as administrative agent (the "Agent") for Bank of Montreal, HSBC Bank Canada and ATB Corporate Financial Service (collectively, the "Syndicate"), an amount not exceeding the maximum amount of the Syndicate's secured obligations ("Senior Secured Obligations") owing by the Primus Entities under the Credit Agreement dated July 31, 2013 (as amended by an amending agreement dated September 23, 2014) (the "Syndicate Distribution"), subject to the maintenance of a holdback of funds in the Designated Account (the "Holdback"), in an amount satisfactory to the Monitor in consultation with the Primus Entities or in an amount determined by the Court, for the payment of the Origin Payment, Professional Expenses and Post-Filing Expenses and to secure the obligations under the Administration Charge and the D&O Charge (each as defined in the Initial Order ~~dated January 19, 2016~~) (the "Holdback"), and any other obligations of the Applicants that rank in priority to the Syndicate's Senior Secured Obligations (the "Priority Claims").

6. ~~5-~~ THIS COURT ORDERS that the Monitor is hereby authorized and directed to make further distributions to the Agent from the Designated Account, if needed, from time to time, up to a maximum amount of the Syndicate's secured obligations ("Additional Syndicate Distributions"), but in each case subject to the Holdback.

7. ~~6-~~ THIS COURT ORDERS that the Monitor, on instruction from the Primus Entities and on behalf of the Primus Entities, is hereby authorized and empowered, without further Order of the Court, to disburse from the ~~Holdback~~ Designated Account, from time to time, amounts owing by the Primus Entities in respect of Professional Expenses.

8. ~~7-~~ **THIS COURT ORDERS** that the Monitor, on instruction from the Primus Entities and on behalf of the Primus Entities, is hereby authorized and empowered, without further Order of the Court, to disburse from the ~~Holdback~~ Designated Account, from time to time, ~~on instruction from the Primus Entities,~~ any amounts owing by the Primus Entities in respect of Post-Filing Expenses.

9. **THIS COURT ORDERS** that the Monitor, on instruction from the Primus Entities and on behalf of the Primus Entities, is hereby authorized and empowered, to disburse from time to time from the Designated Account, amounts owing by the Primus Entities in respect of Priority Claims (and any other amounts owing by the Primus Entities with the consent of the Monitor and the Agent), if any, provided that the Agent has been provided at least seven days' notice of any Priority Claims payment setting out the quantum and scheduled date of such payment and has not provided the Monitor with a written objection to such payment at least one day before the scheduled date of such payment. If such written objection is received by the Monitor, the applicable Priority Claims payment shall not be made unless and until the objection is resolved by agreement to the satisfaction of the Monitor, the Primus Entities, the Agent and the applicable Priority Claims claimant or by further Order of the Court.

10. ~~8-~~ **THIS COURT ORDERS** that notwithstanding:

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

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

11. ~~9-~~ **THIS COURT DECLARES** that no action lies against the Monitor, its affiliates, agents, employees, officers or directors, by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court.

12. ~~10-~~ **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

13. ~~11-~~ **THIS COURT DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement this Order. All courts and jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

14. ~~12-~~ **THIS COURT REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**SUPPLEMENTAL MOTION RECORD
(RETURNABLE FEBRUARY 25, 2016)**

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