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November 2, 2016

**To: The Creditors of Victorian Order Of Nurses For Canada  
("VON Canada")**

**In the matter of the Companies' Creditors Arrangement Act Proceedings for VON Canada**

Please be advised that VON Canada advised the Monitor late yesterday that, at the meeting of creditors scheduled to take place tomorrow, November 3, 2016, to vote on the Plan of Compromise or Arrangement of VON Canada dated October 5, 2016 that was circulated to creditors of VON Canada (the "**Original Plan**"), VON Canada will be seeking approval of an Amended and Restated Plan of Compromise or Arrangement dated November 2, 2016 (the "**Amended Plan**"). The resolution to be put forward at tomorrow's meeting of creditors will seek the creditors' approval of the Amended Plan.

A copy of the Amended Plan that tracks the changes from the Original Plan is attached to this letter.

The primary amendments to the Original Plan are changes to the definitions of the "Distribution Date" and the "Implementation Date", which dates govern when distributions will be made to creditors by VON Canada if the Amended Plan is approved by the creditors voting on the Amended Plan and by the Court. The general effect of the changes is to change the latest date by which distributions to creditors are to be made from February 27, 2017 to December 30, 2016.

In the Original Plan, Distribution Date was defined as "a date not more than 45 days after the Implementation Date or such other date specified in the Sanction Order", and the "Implementation Date" was defined as "December 30, 2016, or such other date as VON Canada may determine in consultation with the Monitor, which date shall not be later than January 13, 2017".

In the Amended Plan, Distribution Date is defined as "a date to be set by VON Canada, in consultation with the Monitor, which date shall not be later than December 30, 2016" and the Implementation Date is defined as "a date to be set by VON Canada, in consultation with the Monitor, which date shall not be later than December 30, 2016".

The effect of the amendments is that distributions to Creditors pursuant to the Amended Plan are to be made by no later than December 30, 2016. In the Original Plan, and as set out in the Report of the Monitor to the Creditors dated October 18, 2016, distributions to Creditors were expected to occur on or before February 27, 2017.

Should you have any questions or require further information, please do not hesitate to contact Mr. Jeffrey Berger of our office at 647-726-0496 or [cbitlmonitor@collinsbarrow.com](mailto:cbitlmonitor@collinsbarrow.com), or the undersigned.

Yours truly,

**COLLINS BARROW TORONTO LIMITED**

In its capacity as Court-Appointed Monitor of  
Victorian Order Of Nurses For Canada,  
Victorian Order Of Nurses For Canada – Eastern Region, and  
Victorian Order Of Nurses For Canada – Western Region  
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT  
Senior Vice-President

**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 VICTORIAN ORDER OF NURSES FOR  
CANADA, VICTORIAN ORDER OF NURSES FOR CANADA –  
EASTERN REGION AND VICTORIAN ORDER OF NURSES  
FOR CANADA –WESTERN REGION

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**AMENDED AND RESTATED PLAN OF COMPROMISE OR ARRANGEMENT**

**PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT***

**OF VICTORIAN ORDER OF NURSES FOR CANADA**

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**~~OCTOBER 5~~NOVEMBER 2, 2016**

**WHEREAS** Victorian Order Of Nurses For Canada ("**VON Canada**") is insolvent and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), pursuant to an order of the Honourable Justice Penny dated November 25, 2015, as amended (the "**Initial Order**"). The Initial Order appointed Collins Barrow Toronto Limited as the Monitor of, among others, VON Canada;

**AND WHEREAS** the other Applicants in these proceedings under the CCAA are Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**") and Victorian Order Of Nurses For Canada – Western Region ("**VON West**");

**AND WHEREAS** the operations of VON East and VON West are now entirely shut down and the operations of VON Canada continue at this time;

**AND WHEREAS** pursuant to the order of the Honourable Justice Penny dated October 5, 2016, VON Canada was authorized to file ~~this~~ a plan of compromise or arrangement, which plan was subsequently delivered to creditors with certain amendments from the version filed with the court (the "Original Plan");

**AND WHEREAS** the Original Plan has been amended and restated by this amended and restated plan of compromise and arrangement;

**AND WHEREAS** VON Canada hereby proposes and presents this amended and restated plan of compromise or arrangement for the purpose of distributing the cash on hand that is not needed for ongoing working capital purposes of VON Canada to VON Canada's creditors under and pursuant to the CCAA.

## ARTICLE 1

### INTERPRETATION

#### Section 1.1 Definitions

In this Plan, unless otherwise stated or unless the subject matter or context otherwise requires, the following terms shall have the following meanings:

**"Administration Charge"** has the meaning given to it in the Initial Order;

**"Business Day"** means a day, other than Saturday, Sunday, on which banks are generally open for business in Toronto, Canada;

**"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

**"CCAA Proceedings"** means the proceedings under the CCAA commenced by VON Canada, VON East and VON West on November 25, 2015;

**"Chief Restructuring Officer"** means March Advisory Services Inc., in its capacity as Chief Restructuring Officer of VON Canada;

**"Claim"** means:

- a) any right of claim of any Person against VON Canada, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of VON Canada, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date; and
- b) any right of claim of any Person against VON Canada in connection with any indebtedness, liability or obligation of any kind whatsoever owed by VON Canada to such Person arising out of the restructuring, termination, repudiation, or disclaimer or breach of any lease, contract, employment agreement or other agreement or obligation after the Filing Date,

in each case, other than an Excluded Claim.

**"Claims Procedure Order"** means the Stay Extension and Claims Procedure Order of the Honourable Mr. Justice Penny, dated February 24, 2016 in these proceedings;

**"Convenience Class Claims"** means: (a) Unsecured Proven Claims of a Creditor that total less than or equal to \$5,000 in aggregate; and (b) Unsecured Proven Claims of a Creditor that total more than \$5,000 in aggregate and for which such Creditor has validly elected to value at \$5,000 for purposes of the Plan by filing a Convenience Class Claim Election by the Voting Deadline.

**“Convenience Class Creditor”** means a Creditor having a Convenience Class Claim.

**“Convenience Class Claim Election”** means an election, in accordance with the Meeting Order, pursuant to which a Creditor with one or more Unsecured Proven Claims that total in excess of \$5,000 in aggregate has elected by the Voting Deadline to receive only \$5,000 and is thereby deemed to vote in favour of the Plan in respect of such Unsecured Proven Claims in the amount of such Unsecured Proven Claims as accepted in accordance with the Claims Procedure Order and to receive no other entitlements under the Plan.

**“Court”** means the Ontario Superior Court of Justice, Commercial List;

**“Creditor”** means any Person holding a Claim;

**“Creditors' Meeting”** means the meeting of Creditors holding Voting Claims called for the purpose of considering and voting in respect of this Plan pursuant to the CCAA and the terms of the Meeting Order on the Creditors' Meeting Date;

**“Creditors' Meeting Date”** means November 3, 2016, subject to any adjournment or postponement of the Creditors' Meeting in accordance with this Plan, the Meeting Order or further order of the Court;

**“Crown Claims”** means any Claim of the Crown, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- a) subsection 224(1.2) of the ITA;
- b) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts;
- c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - i. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or
  - ii. is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

**“Director and Officer Claim”** means any right of any Person against the Directors or Officers of VON Canada for which the Directors or Officers of VON Canada are by law liable to pay in their capacity as Directors or Officers or in any other capacity, in each case based in whole or in part on facts existing on or prior to the Filing Date;

**“Directors”** means the directors and former directors of VON Canada or any Person deemed to be a director or former director of VON Canada by any law, and “Director” means any one of them;

**“Disputed Claim”** means any unsecured Claim of a Creditor which has not been finally determined in accordance with the Claims Procedure Order by the Creditors' Meeting Date;

**"Distribution Date"** means a date ~~not more than 45 days after the Implementation Date or such other date specified in the Sanction Order~~ to be set by VON Canada, in consultation with the Monitor, which date shall not be later than December 30, 2016;

**"Distribution Pool"** means all cash and cash equivalents legally and beneficially owned by VON Canada as of the Implementation Date after payment in full of all Secured Proven Claims, claims secured by the Charges (as defined in the Initial Order) (and the delivery of a cash reserve to be held by the Monitor in respect of such claims), Crown Claims and Employee Priority Claims and after deducting the Working Capital Reserve and the amounts payable on account of Convenience Class Claims;

**"Employee Priority Claims"** means the following claims of VON Canada's employees and former employees:

- a) claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(l)(d) of the BIA if VON Canada had become bankrupt on the Filing Date; and
- b) claims for wages, salaries, commissions or compensation for services rendered by VON Canada's employees and former employees after the Filing Date and on or before the date of the Sanction Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about VON Canada's business during the same period.

**"Excluded Claim"** means: (i) claims secured by any of the Charges (as defined in the Initial Order); (ii) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA, (iii) any claim of The Bank of Nova Scotia; (iv) any claim by a Director or Officer for indemnification related to a Director and Officer Claim; (v) any claims for ordinary course normal contributions due from VON Canada to match the contributions of members that are made under clause 5.2.1(a), (b), (c) and (d) of the VON Canada Pension Plan; and (vi) any Employee Priority Claims or Crown Claims.

**"Filing Date"** means November 25, 2015;

**"Implementation Date"** means ~~December 30, 2016, or such other~~ a date ~~as to be set by~~ VON Canada ~~may determine~~, in consultation with the Monitor, which date shall not be later than ~~January 13~~ December 30, 2017;

**"ITA"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.);

**"Meeting Order"** means the order of the Court dated October 5, 2016, which, among other things, provided for the calling of the Creditors' Meeting;

**"Monitor"** means Collins Barrow Toronto Limited in its capacity as the Court-appointed Monitor of VON Canada;

**"Officers"** means the officers and former officers of VON Canada or any Person deemed to be an officer or former officer of VON Canada by any law and, solely for the purposes of this Plan, shall include the Chief Restructuring Officer, and "Officer" means any one of them;

**"Order"** means any order, directive, judgment, decision, ruling or award issued by the Court in the CCAA Proceeding;

**"Plan"** means this amended and restated plan of compromise or arrangement ~~filed with the Court pursuant to the CCAA~~, as this Plan may be further amended, varied or supplemented from time to time in accordance with Article 7 hereof;

**“Person”** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association and any federal, provincial, state or municipal government or similar entity, howsoever designated or constituted;

**“Proof of Claim”** means the form completed and filed by a Creditor setting forth its purported Claim which is substantially in the form attached to the Claims Procedure Order;

**“Property”** means all of VON Canada’s assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof;

**“Proven Claim”** means the amount of the Claim of a Creditor as determined in accordance with the Claims Procedure Order;

**“Required Majority”** means the affirmative vote of a majority in number of the Creditors having Voting Claims and voting on this Plan (in person or by proxy) at the Creditors’ Meeting representing not less than 66 2/3% in value of the Voting Claims of the Creditors voting (in person or by proxy) at the Creditors’ Meeting or were deemed to vote on this Plan in accordance with its terms or the Meeting Order;

**“Sanction Order”** means an order of the Court, among other things, approving and sanctioning this Plan;

**“Secured Proven Claim”** means any Claim or portion thereof, as finally determined in accordance with the Claims Procedure Order, which has the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in the Property, but only to the extent of the realizable value of the property subject to such security;

**“Taxing Authorities”** means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or non-Canadian (including U.S.) government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and **“Taxing Authority”** means any one of the Taxing Authorities;

**“Unresolved Claim”** means any Claim of a Creditor which has not been finally determined for distribution purposes in accordance with the Claims Procedure Order by the Implementation Date;

**“Unsecured Proven Claim”** means the unsecured portion of a Creditor’s Proven Claim as determined in accordance with the Claims Procedure Order;

**“Voting Claim”** means the amount of a Creditor’s Unsecured Proven Claim or the amount of a Creditor’s Disputed Claim which has been accepted by the Monitor for the purpose of voting at the Creditors’ Meeting in accordance with the Meeting Order;

**“Voting Deadline”** means 10:00 a.m. (Toronto time) on the Business Day before the date of the Creditors’ Meeting; and

**“Working Capital Reserve”** means \$250,000.

## **Section 1.2 Interpretation**

For purposes of this Plan:

- (a) all references to currency and to “\$” are to Canadian Dollars, unless otherwise specified;

- (b) the division of this Plan into Articles and Sections are for convenience of reference only and do not affect the construction or interpretation of this Plan, nor are the descriptive headings of Articles and Sections intended as complete or accurate descriptions of the content thereof;
- (c) references to the singular in the Plan shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender;
- (d) unless otherwise specified, all references to time in this Plan mean local time in Toronto, Canada and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (e) unless otherwise specified, a time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of the period is not a Business Day;
- (f) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (g) Whenever any payment to be made or action to be taken under this Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day.

## **ARTICLE 2**

### **PURPOSE AND EFFECT OF THE PLAN**

#### **Section 2.1 Purpose of this Plan**

The purpose of this Plan is to distribute the Distribution Pool to VON Canada's Creditors with Unsecured Proven Claims and provide for the compromise and settlement of all Claims against VON Canada.

#### **Section 2.2 Effect of this Plan**

On the Implementation Date, all Claims against VON Canada will be deemed to be compromised and settled and shall be fully released and discharged, excepting only the obligations to make distributions in respect of such Claims, which compromise shall be final and binding on VON Canada and all Persons affected by this Plan.

## **ARTICLE 3**

### **CLASSIFICATION OF CREDITORS**

#### **Section 3.1 Class of Creditors**

For the purpose of voting on this Plan the Creditors with Voting Claims shall constitute a single class, the Affected Creditors Class.

#### **Section 3.2 Claims**



Creditors shall prove their Claims, vote (in the case of Voting Claims) in respect of this Plan, and receive the distributions provided for hereunder pursuant to the Claims Procedure Order, the Meeting Order and this Plan.

## ARTICLE 4

### CREDITORS' MEETING

#### Section 4.1 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with this Plan, the Meeting Order and any further order of the Court which may be made from time to time. The only Persons entitled to attend the Creditors' Meeting are VON Canada, the Monitor and its legal counsel; those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the directors and officers of VON Canada, the Chief Restructuring Officer, and their respective legal counsel and advisors. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting.

#### Section 4.2 Voting by Creditors

VON Canada will seek approval of this Plan by the affirmative vote of the Required Majority. Except for any resolution to be voted on at the Creditors' Meeting to approve this Plan, which will be decided by the Required Majority by ballot, every question submitted to a vote at the Creditors' Meeting will be decided by a majority in value of the Voting Claims, unless the Monitor decides, in its sole discretion, that any such question submitted to a vote at the Creditors' Meeting will be decided by the majority of votes given on a show of hands.

The result of any vote at the Creditors' Meeting will be binding on all Persons affected by this Plan, whether or not any such Person is present at the Creditors' Meeting.

Convenience Class Creditors shall be deemed to vote in favour of the Plan.

#### Section 4.3 Claims for Voting Purposes

Each Creditor with a Voting Claim shall be entitled to one vote, which vote shall have the value of such Creditor's Voting Claim. The amount of a Creditor's Disputed Claim which has not been accepted by the Monitor as a Voting Claim may be voted at the Creditors' Meeting, but shall be recorded and tabulated by the Monitor separately at the amount of the Disputed Claim. The amount of the Voting Claim of any Creditor holding a Disputed Claim as accepted by the Monitor for the purpose of voting only shall be without prejudice to the rights of VON Canada, the Monitor and such Creditor with respect to the final determination of the Creditor's Claim for distribution purposes.

#### Section 4.4 Claims Bar Date

If any Person asserting a Claim has failed to file a Proof of Claim in accordance with the Claims Procedure Order prior to the Claims Bar Date (as defined in the Claims Procedure Order) or such later date as was agreed to in writing by the Monitor or extended by further order of the Court, that Person shall not be permitted to vote at the Creditors' Meeting and shall not receive any distribution under this Plan.

#### Section 4.5 Chair

An officer of the Monitor, or an individual designated by him or her, shall preside as the chair of the Creditors' Meeting and shall decide all matters relating to procedure at the Creditors' Meeting not otherwise set out in the Meeting Order.

## ARTICLE 5

### DISTRIBUTIONS UNDER THE PLAN

#### **Section 5.1 Distributions on Account of Secured Proven Claims**

If this Plan is implemented, then on the Distribution Date, each Creditor holding a Secured Proven Claim shall receive a distribution equal to the full amount of the Creditor's Secured Proven Claim.

#### **Section 5.2 Distributions on Account of Unsecured Proven Claims**

If this Plan is implemented, then on the Distribution Date, each Creditor holding an Unsecured Proven Claim will receive a distribution of a portion of the Distribution Pool equal to the proportion that such Creditor's Unsecured Proven Claim represents as a percentage of all Unsecured Proven Claims, up to the maximum amount of such Creditor's Unsecured Proven Claim. Such distributions shall be delivered by cheque sent by pre-paid ordinary mail by VON Canada to the address set out in such Creditor's proof of claim. Notwithstanding the foregoing, distributions to Convenience Class Creditors shall be made solely in accordance with Section 5.5 below.

#### **Section 5.3 Interest on Claims**

Interest will not accrue or be paid on Unsecured Proven Claims after or in respect of the period following the Filing Date and no holder of an Unsecured Proven Claim will be entitled to any interest in respect of such Unsecured Proven Claim accruing on or after or in respect of the period following the Filing Date.

#### **Section 5.4 Certain Crown Claims and Employee Claims**

Within six (6) months after the date of the Sanction Order, VON Canada will pay in full all Crown Claims owed by VON Canada, if any.

At or prior to implementation of this Plan, VON Canada will pay in full all Employee Priority Claims owed by VON Canada, if any.

#### **Section 5.5 Convenience Class Claims**

On the Distribution Date, each Creditor that is a Convenience Class Creditor shall receive a distribution in the amount of its Convenience Class Claim by cheque sent by pre-paid ordinary mail to the address set out in such Convenience Class Creditor's proof of claim and shall not be entitled to receive any further distribution under the Plan.

#### **Section 5.6 Currency**

For voting purposes, a Claim shall be denominated in Canadian dollars. Any Claim denominated in a currency other than Canadian dollars shall be converted to Canadian dollars based on the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date.

Claims originally denominated in a foreign currency will be distributed to those creditors in Canadian dollars based on the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Implementation Date.

### **Section 5.7 Withholding and Reporting Requirements**

VON Canada shall be entitled to deduct and withhold from any distribution, payment or consideration otherwise payable to any Creditor or to any Person on behalf of any Creditor such amounts (a "Withholding Obligation") (i) as VON Canada is required to deduct and withhold with respect to such payment under the ITA or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended, or (ii) on account of payments previously made to Creditors under the Wage Earner Protection Program.

To the extent that amounts are so withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deductions were made. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a holder of a Proven Claim pursuant to the Plan unless and until such holder has made arrangements satisfactory to VON Canada for the payment and satisfaction of any Withholding Obligations imposed on VON Canada by any Taxing Authority.

### **Section 5.8 Uncashed Cheques**

If a distribution cheque mailed by VON Canada to a Creditor is not deposited within six (6) months of its mailing or is returned to VON Canada and the Creditor entitled to such distribution cannot be found by VON Canada after reasonable efforts to locate such Creditor have been made, the cheque payable to such Creditor shall be cancelled and the funds represented by all such cancelled cheques shall, if in excess of \$5,000 in aggregate be reallocated to the Distribution Pool for distribution to creditors with Unsecured Proven Claims other than Convenience Class Claims or, if less than or equal to \$5,000 in aggregate, shall be retained by VON Canada free and clear of any claims; provided, however, that VON Canada shall not be required to make any distribution of funds reallocated to the Distribution Pool under this Section 5.8 to any Creditor where such distribution would be less than \$50 (the "**Minimum Distribution Threshold**"). Any amounts from these reallocated funds that would otherwise be payable to a Creditor in an amount that does not meet or exceed the Minimum Distribution Threshold shall be retained by VON Canada free and clear of any claims.

### **Section 5.9 No Distribution Pending Allowance**

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of an Unresolved Claim unless and to the extent all or a portion of the Unresolved Claim has become a Proven Claim for distribution purposes.

On the Implementation Date, VON Canada will pay from the Distribution Pool to the Monitor an amount equal to the aggregate amount of all distributions that Creditors with Unresolved Claims would otherwise have received pursuant to this Plan had their Unresolved Claims been Proven Claims for distribution purposes on the Distribution Date. The Monitor will establish a reserve for Unresolved Claims, if any, from the Distribution Pool (the "**Unresolved Claims Reserve**"). The Monitor shall continue to hold the Unresolved Claims Reserve for the benefit of each Creditor holding an Unresolved Claim until such Claim becomes a Proven Claim for distribution purposes (at which point the Monitor shall make a distribution in respect of such Proven Claim) or is ultimately disallowed.

If an Unresolved Claim is ultimately determined to not be a valid Claim in whole or in part in accordance with the Claims Procedure Order after the Implementation Date, any portion of the Unresolved Claims Reserve in respect of such Unresolved Claim shall be reallocated to the Distribution Pool and, if upon resolution of all Unresolved Claims, the Distribution Pool has a balance in excess of \$5,000, the funds in the Distribution Pool shall be paid out to creditors with Unsecured Proven Claims other than Convenience Class Claims in accordance with this Plan or, if the funds in the Distribution Pool are less than or equal to \$5,000, the funds remaining in the Distribution Pool shall be retained by VON Canada free and clear of any claims; provided, however, that VON Canada shall not be required to make any distribution of funds

reallocated to the Distribution Pool under this Section 5.9 to any Creditor where such distribution would be less than the Minimum Distribution Threshold. Any amounts from these reallocated funds that would otherwise be payable to a Creditor in an amount that does not meet or exceed the Minimum Distribution Threshold shall be retained by VON Canada free and clear of any claims.

#### **Section 5.10 Unapplied Portion Of Reserve For Amounts Secured By Charges**

A cash reserve in an amount not to exceed \$50,000 shall be paid over to the Monitor on the Implementation Date to pay any claims that may become payable for amounts secured by the Charges. If it is determined that the amounts held by the Monitor as a reserve for claims secured by the Charges is no longer required, such amounts shall be reallocated to the Distribution Pool and, if the funds in the Distribution Pool are less than or equal to \$5,000, the funds remaining in the Distribution Pool shall be retained by VON Canada free and clear of any claims; provided, however, that VON Canada shall not be required to make any distribution of funds reallocated to the Distribution Pool under this Section 5.10 to any Creditor where such distribution would be less than the Minimum Distribution Threshold. Any amounts from these reallocated funds that would otherwise be payable to a Creditor in an amount that does not meet or exceed the Minimum Distribution Threshold shall be retained by VON Canada free and clear of any claims.

#### **Section 5.11 Employee Claims**

If a former employee of VON Canada has received payment from the Wage Earner Protection Program on account of amounts owing to such former employee by VON Canada, such former employee's recovery under this Plan, whether as a Convenience Class Creditor or otherwise, will be adjusted so that such former employee's claim for distribution purposes excludes the amount received from the Wage Earner Protection Program by such former employee on account of amounts owing to such former employee by VON Canada.

### **ARTICLE 6**

#### **COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION**

##### **Section 6.1 Conditions Precedent**

The implementation of this Plan is subject to the following conditions precedent which are in favour of VON Canada:

- (a) This Plan has been approved by the Required Majority at the Creditors' Meeting;
- (b) The Sanction Order has been issued and entered; and
- (c) Unless such condition is waived by VON Canada in consultation with the Monitor, all applicable appeal periods in respect of the Sanction Order have expired and any appeals therefrom have been finally disposed of by the applicable appellate tribunal.

##### **Section 6.2 Effect of Sanction Order**

In addition to approving and sanctioning this Plan, the Sanction Order shall, among other things:

- (a) Declare that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) VON Canada and the Monitor have complied with the provisions of the CCAA and the Orders of the Court made in these proceedings in all respects; (iii) the Court is satisfied that VON

Canada and the Monitor have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

- (b) Authorize the Monitor and VON Canada to perform their functions and fulfill their obligations under the Plan to facilitate the implementation of the Plan;
- (c) Effective on the Implementation Date, permanently stay all Claims and declare that the compromises effected hereby are approved, binding and effective as herein set out upon all Creditors and other Persons affected by this Plan;
- (d) Confirm the releases provided for in Article 8 hereof;
- (e) Declare that in carrying out the terms of the Meeting Order, the Sanction Order and this Plan, (i) the Monitor shall benefit from the protections given to it by the CCAA, the Initial Order, and any other Order in the CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour; and (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction Order and this Plan.
- (f) Effective on the Implementation Date, compromise, discharge and release VON Canada from any and all Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against VON Canada in respect of or relating to any Claims shall be forever discharged and restrained, subject only to the right of the Creditor to receive distributions pursuant to the Plan in respect of its Proven Claims; and
- (g) Declare that upon completion by VON Canada and the Monitor of their duties pursuant to the CCAA and the Orders granted in these proceedings under the CCAA, including without limitation, the Monitor's duties in respect of the Claims Procedure Order and the Plan, the Monitor may file with the Court a certificate stating that all of its duties in respect of VON Canada pursuant to the CCAA and the Orders have been completed and thereupon these CCAA proceedings shall be terminated in respect of VON Canada.

### **Section 6.3 Monitor's Certificate**

Upon receipt by the Monitor of written confirmation from VON Canada (on which the Monitor shall be entitled to rely without further investigation or verification) that all distributions under the Plan have been issued and all the conditions precedent under the Plan have been satisfied, the Monitor shall file a certificate with the Court stating that the conditions precedent set out in Section 6.1 hereof have been satisfied and that the Plan has been implemented.

## **ARTICLE 7**

### **PLAN AMENDMENTS**

#### **Section 7.1 Plan Amendments**

VON Canada may amend, modify and/or supplement this Plan at any time and from time to time prior to the Creditors' Meeting, provided that all such amendments, modifications and supplements are disclosed and made available at the Creditors' Meeting in the manner required in the Meeting Order.

VON Canada may amend, modify and/ or supplement this Plan at any time and from time to time after the Creditors' Meeting but before the Sanction Order is issued, provided that all such amendments, modifications and supplements are approved by the Court on notice to the Creditors affected thereby in the manner required in the Meeting Order.

VON Canada may amend, modify and/or supplement this Plan at any time and from time to time after issuance of the Sanction Order, provided that all such amendments, modifications and supplements are, in the opinion of the Monitor or the Court, of an administrative nature required to better give effect to the implementation of this Plan or the Sanction Order and are not adverse to the financial or economic interests of the Creditors generally. For greater certainty, any amendments, modifications or supplements to the Plan that would result in the delay of the Distribution Date or the Implementation Date to a date later than December 30, 2016 must be approved by the Court.

Any amended, modified and/or supplementary plan or plans of compromise or arrangement shall for all purposes be and be deemed to be a part of and incorporated into this Plan.

## ARTICLE 8

### RELEASES

(a) On the Implementation Date, the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred:

- i. all Claims, whether or not filed in accordance with the Claims Procedure Order;
- ii. all Director and Officer Claims, whether or not filed in accordance with the Claims Procedure Order;
- iii. any and all demands, claims, actions, causes of action, counterclaims, suits, debts, covenants, damages, judgments, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, against VON Canada, the Monitor, the Chief Restructuring Officer and each of their respective financial advisors, legal counsel, agents, directors, officers, partners, employees or representatives whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral; (ii) this Plan; and (iii) these CCAA proceedings; provided that nothing herein shall waive, release, discharge, cancel or bar any right to enforce the obligations under this Plan, VON Canada from or in respect of any Excluded Claim, or any person from any claim that is not permitted to be released pursuant to section 19(2) of the CCAA or section 5.1(2) of the CCAA.

(collectively, the "Released Claims").

(b) All Persons (regardless of whether or not such Persons are Creditors) are permanently and forever barred, estopped, stayed and enjoined, on and after the Implementation Date, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) in respect of a Released Claim; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order in respect of a Released Claim; or (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or for breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make

such a claim, in any manner or forum, against one or more of the parties who is the subject of a Released Claim.

## ARTICLE 9

### WAIVER OF DEFAULTS

Subject to the performance by VON Canada of its obligations under this Plan, no Person who is a party to any obligations or agreements with VON Canada shall, following the Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement as against VON Canada, by reason of:

- i. any defaults or events of default arising as a result of the insolvency of VON Canada, VON East or VON West prior to the Implementation Date;
- ii. the fact that VON Canada, VON East or VON West have sought or obtained relief under the CCAA, Section 101 of the *Courts of Justice Act* (Ontario) or under the BIA or that this Plan has been implemented by VON Canada;
- iii. the effect on VON Canada of the completion of any of the transactions contemplated by this Plan;
- iv. any compromises or arrangements effected pursuant to this Plan; or
- v. any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies, subject to any express provisions to the contrary in any agreements entered into with VON Canada after the Filing Date.

For greater certainty, nothing in this Article 9 shall waive, compromise or discharge any obligations of VON Canada in respect of any Excluded Claim.

## ARTICLE 10

### GENERAL

#### Section 10.1 Termination of the Plan

At any time prior to the Implementation Date, VON Canada may determine not to proceed with this Plan, notwithstanding a prior approval given at the Creditors' Meeting or the obtaining of the Sanction Order.

#### Section 10.2 Paramountcy

From and after the Implementation Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, credit document, agreement for sale, by-laws of VON Canada, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Creditors and VON Canada as at the Implementation Date will be deemed to be governed by the terms, conditions and provisions of this Plan and the Sanction Order, which shall take precedence and priority.

#### Section 10.3 Successors and Assigns

This Plan and any compromise effected by this Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, representatives, successors and assigns of any Person named or referred to in, or affected by, this Plan for all purposes, as of the Implementation Date.

#### **Section 10.4 Consents, Waivers and Agreements**

On the Implementation Date, any Person affected by this Plan shall be deemed to have consented and agreed to all of the provisions of this Plan in their entirety. In particular, each Creditor shall be deemed to have executed and delivered to VON Canada and the Monitor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety.

#### **Section 10.5 Responsibilities of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in these CCAA Proceedings, and not in its personal or corporate capacities. The Monitor will not be responsible or liable whatsoever for any obligations of VON Canada. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Sanction Order and any other Order made in the CCAA Proceedings.

#### **Section 10.6 Deeming Provisions**

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

#### **Section 10.7 Claims Bar Date**

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date (as defined in the Claims Procedure Order) or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

#### **Section 10.8 Severability of Plan Provisions**

If any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of VON Canada, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### **Section 10.9 Notices**

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, mail or facsimile addressed to the respective parties as follows:

(a) if to VON Canada:

2315 St. Laurent Blvd., Suite 100  
Ottawa, Ontario K1G 4J8

Attention: Jo-Anne Poirier

With copy to:



Norton Rose Fulbright Canada LLP  
Royal Bank Plaza, South Tower, Suite 3800  
200 Bay Street, P.O. Box 84  
Toronto, Ontario M5J 2Z4

Attention: Matthew Halpin / Evan Cobb  
Email: [matthew.halpin@nortonrosefulbright.com](mailto:matthew.halpin@nortonrosefulbright.com) / [evan.cobb@nortonrosefulbright.com](mailto:evan.cobb@nortonrosefulbright.com)

and to:

Roxanne Anderson

Email: [randerson@marchadvisory.ca](mailto:randerson@marchadvisory.ca)

(b) if to the Monitor:

Collins Barrow Toronto Limited  
11 King Street West  
Suite 700  
Toronto, Ontario M5H 4C7

Attention: Daniel Weisz / Brenda Wong  
Email: [dweisz@collinsbarrow.com](mailto:dweisz@collinsbarrow.com) / [bywong@collinsbarrow.com](mailto:bywong@collinsbarrow.com)

With a copy to:

Bennett Jones LLP  
3400 One First Canadian Place  
Toronto, Ontario M5X 1A4

Attention: Mark Laugesen  
Email: [laugesenm@bennettjones.com](mailto:laugesenm@bennettjones.com)

(b) if to a Creditor:

to the last known address or a facsimile number for such Creditor or the address or facsimile number for such Creditor specified in the Proof of Claim filed by such Creditor pursuant to the Claims Procedure Order; or

(c) to such other address as any party may from time to time notify the others in accordance with this section. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. All such notices and communications which are delivered by facsimile shall be deemed to be received on the date transmitted, if before 5:00 p.m. on a Business Day, and otherwise shall be deemed to be received on the next Business Day following the day upon which such facsimile was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by VON Canada or the Monitor to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Plan.

#### **Section 10.10 Further Assurances**

Notwithstanding that the transactions and events set out in this Plan shall be deemed to occur without any additional act or formality other than as set out herein, each of the Persons affected hereby shall make, do and execute or cause to be made, done or executed all such further acts, deeds, agreements, transfers,

assurances, instruments, documents or discharges as may be reasonably required by VON Canada or the Monitor in order to better implement this Plan.

Dated at Toronto, Ontario as of the ~~5th~~<sup>2<sup>nd</sup></sup> day of ~~October~~November, 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  
VICTORIAN ORDER OF NURSES FOR CANADA ET AL.

Court File No: CV-15-11192-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AMENDED AND RESTATED PLAN OF COMPROMISE  
OR ARRANGEMENT**

**(VICTORIAN ORDER OF NURSES FOR CANADA)**

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Lawyers for Victorian Order of Nurses for Canada