



Court File No.: CV-13-10279-00CL

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

THE HONOURABLE

) THURSDAY, THE 18<sup>TH</sup>

)

MR. JUSTICE PATTILLO

) DAY OF DECEMBER, 2014

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

AND IN THE MATTER OF A PROPOSED PLAN  
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO  
GROWTHWORKS CANADIAN FUND LTD.

**ORDER APPROVING SETTLEMENT**

THIS MOTION, made by GrowthWorks Canadian Fund Ltd. (the "**Fund**") for an order approving an agreement settling actions bearing Court File Numbers 08-CV-43544 and 08-CV-43188, between Allen-Vanguard Corporation ("**AVC**") and the Fund and other parties (the "**AVC Litigation**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Fund, including the Affidavit of Donna Parr sworn December 15, 2014, the Affidavit of Paul Echenberg sworn December 15, 2014 and the Twelfth report of FTI Consulting Canada, Inc. (the "**Monitor**"), on being advised that notices in the form of a letter have been sent to each former shareholder of Med-Eng Systems Inc. ("**Med-Eng**") at the most recent known address(es) for notifying each such former shareholder of this settlement and the hearing, and on hearing the submissions of counsel for the Fund, Offeree Shareholders, as defined below, AVC, and the Monitor, no one else appearing although properly served as appears from the Affidavit of Swee-Teen Yeoh, sworn December 15, 2014:

1. THIS COURT ORDERS that the time for service of the Motion Record is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses

with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Minutes of Settlement settling the AVC Litigation made between AVC and certain former shareholders of Med-Eng including Richard L'Abbe, 1062455 Ontario Inc., the Fund, SVMCL Management Canada Limited as general partner of certain investment funds, Schroder Ventures Holdings Limited as general partner of certain other investment funds and SVG Capital plc. (collectively, the "**Offeree Shareholders**") effective December 12, 2014 (the "**Settlement Agreement**"), be and is hereby approved in substantially the same form as Exhibit "D" of the Affidavit of Donna Parr sworn December 15, 2014.

3. THIS COURT ORDERS that the Fund is authorized to execute and deliver the Settlement Agreement and shall perform its obligations thereunder, including without limiting the generality of the foregoing, the distribution of \$28,000,000 of the settlement proceeds (the "**Settlement Proceeds**") to AVC, and that the remainder of the Settlement Proceeds after the distribution to AVC (the "**Remaining Proceeds**") shall be held in escrow until further order of this Court.

4. 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 Fund and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Fund;

the distribution of Settlement Proceeds to AVC and the distribution of the Remaining Proceeds pursuant to this Order and any further order of this Court shall be binding on any trustee in bankruptcy that may be appointed in respect of the Fund and shall not be void or voidable by creditors of the Fund, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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.

5. THIS COURT ORDERS AND DECLARES that, in addition to the releases to be exchanged pursuant to the Settlement Agreement, AVC is hereby released from any and all claims arising or in respect of the Share Purchase Agreement dated as of August 3, 2007 (the “SPA”) and the Escrow Agreement dated as of September 17, 2007 (the “Escrow Agreement”) including, without limiting the generality of the foregoing, any claims of former minority shareholders, and that any claims by former minority shareholders of Med-Eng (the “Minority Shareholders”) arising from the Share Purchase Agreement or the Escrow Agreement shall attach exclusively to the Remaining Funds.

6. THIS COURT ORDERS that the Offeree Shareholders shall incur no liability whatsoever arising from the release of the Settlement Proceeds to AVC.

7. THIS COURT ORDERS that the Offeree Shareholders may propose a distribution of the Remaining Funds and notify all former shareholders, including the Minority Shareholders, of such proposal by mail and/or email to the most recent address(es) maintained by Robert Chapman, the vendor’s counsel in respect of the Share Purchase Agreement. Any motion for the distribution of the Remaining Funds shall be on at least 7 days’ notice to the Offeree Shareholders, the Minority Shareholders and to the Monitor.



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

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**

Proceeding Commenced at Toronto

**ORDER APPROVING SETTLEMENT**

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