

**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 NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.

Applicants

**MOTION RECORD
(Approval of Fees and Activities)
(Returnable August 13, 2015)**

August 4, 2015

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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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 NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.

Applicants

NOTICE OF MOTION
(Approval of Fees and Activities)
(Returnable August 13, 2015)

FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**") of Nelson Education Ltd. and Nelson Education Holdings Ltd., pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) on August 13, 2015, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) an order approving the Reports (as defined below) and the activities of the Monitor as described in the Reports; and
- (b) an order approving the fees and disbursements of the Monitor including those of its counsel, Norton Rose Fulbright Canada LLP ("**Norton Rose**"), for the periods set out in the Fee Affidavits (defined below);

THE GROUNDS FOR THE MOTION ARE:

- (a) Fee affidavits from Nigel D. Meakin, of the Monitor, sworn August 4, 2015 and from Orestes Pasparakis, of Norton Rose, sworn August 4, 2015 (collectively, the "**Fee Affidavits**") are provided;
- (b) The Monitor's fees and disbursements from May 29, 2015 to July 26, 2015 total approximately CDN \$277,058.95 (excluding applicable taxes);
- (c) The fees and disbursements of Norton Rose from May 29, 2015 to July 26, 2015 total approximately CDN \$103,972.71 (excluding applicable taxes);
- (d) The Monitor's average hourly rate for the referenced billing period was CDN \$755.96;
- (e) The Monitor used a limited number of representatives on this matter;
- (f) Norton Rose's average hourly rate for the referenced billing period was CDN \$669.51;
- (g) Norton Rose used a limited number of lawyers on the matter;
- (h) The fees and disbursements of the Monitor and Norton Rose, as described in the Fee Affidavits, are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in these proceedings;
- (i) The conduct and activities of the Monitor are described in the First Report of the Monitor, dated June 4, 2015, the Second Report of the Monitor dated July 8, 2015, and the Third Report of the Monitor, dated August 4, 2015 (collectively, the "**Reports**");
- (j) The conduct and activities of the Monitor, as set out in the Reports, are within the scope of the Monitor's mandate and are reasonable and appropriate; and
- (k) Such further and other grounds as counsel may advise and this Court may permit.

The following documentary evidence will be used at the hearing of the motion:

- (a) The Reports;
- (b) The Fee Affidavits; and
- (c) Such further and other materials as counsel may advise and this Court may permit.

August 4, 2015

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TO: THE ATTACHED SERVICE LIST

**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 NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.**

Applicants

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**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 NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.**

Applicants

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

Court File No. CV-15-10961-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Approval of Fees and Activities)**

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Tab 2

Court File No. CV-15-10961-00CL

**Nelson Education Ltd.
Nelson Education Holdings Ltd.**

THIRD REPORT OF THE MONITOR

August 4, 2015

**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
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**THIRD REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On May 12, 2015, Nelson Education Ltd. and Nelson Education Holdings Ltd. (together, “Nelson”) made an application (the “**Initial Application**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and an initial order (the “**Initial Order**”) was made by the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), granting, *inter alia*, a stay of proceedings against Nelson until June 10, 2015, (the “**Stay Period**”) and appointing Alvarez & Marsal Canada Inc. (together with its affiliates, “**A&M**”) as monitor of Nelson. The proceedings commenced by Nelson under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

2. The Initial Order provided for a “comeback date” of May 29, 2015 (the “**Comeback Date**”). On the Comeback Date, Royal Bank of Canada (“**RBC**”)¹ sought the appointment of FTI Consulting Canada Inc. (“**FTI**”) in place of A&M. Pursuant to the Order of the Honourable Mr. Justice Newbould, FTI was appointed as Monitor (the “**Monitor**”).

3. Pursuant to the Order of the Honourable Mr. Justice Newbould granted on June 8, 2015 (the “**Amended Initial Order**”), the Stay Period was extended to July 17, 2015. In accordance with the provisions of the Amended Initial Order, notice of the CCAA Proceedings was published in The Globe and Mail on June 18, 2015.

4. Pursuant to the Order of the Honourable Mr. Justice Newbould granted on June 29, 2015 (the “**Extension Order**”), the Stay Period was extended to August 31, 2015.

5. On May 15 and 19, 2015, Nelson served motion materials on the Service List (the “**Sale Approval Motion**”), which motion materials were subsequently filed with the Court on July 6, 2015, for an Order *inter alia* approving the sale of substantially all of the property and assets of Nelson as contemplated by an asset purchase agreement (the “**APA**”) to be entered into between Nelson Education Ltd. as Seller and 682534 N.B. Inc. as Purchaser if the Approval and Vesting Order (the “**AVO**”) sought by Nelson is granted. The Monitor understands that the Purchaser is a special purpose vehicle through which the lenders under the First Lien Credit Agreement (the “**First Lien Lenders**”) would acquire the business and assets of Nelson if the AVO is granted and the transaction contemplated by the APA (the “**FLL Transaction**”) closes.

¹ RBC is Administrative Agent and Collateral Agent (the “Second Lien Agent”) pursuant to a Second Lien Credit Agreement dated as of July 5, 2007 (the “Second Lien Credit Agreement”), a lender under the Second Lien Credit Agreement, a lender under the First Lien Credit Agreement dated as of July 5, 2007 (the “First Lien Credit Agreement”) and the provider of cash management services

6. The Monitor has to date filed two reports in respect of various aspects of the CCAA Proceedings². This report is the Monitor's third report, the purpose of which is to inform the Court on the following:
- (a) The receipts and disbursements of Nelson for the period June 27 to July 17, 2015;
 - (b) Nelson's revised and extended cash flow forecast for the period July 18 to October 30, 2015 (the "**July 24 Forecast**");
 - (c) An update on two unsolicited enquiries from parties expressing an interest in the acquisition of Nelson as reported in the Monitor's Second Report; and
 - (d) The Monitor's motion (the "**August 13 Fee Approval Motion**") for an Order approving:
 - (i) The activities of the Monitor as described in the Monitor's First, Second and Third Reports;
 - (ii) The fees and disbursements of the Monitor and its legal counsel for the period from May 29, 2015 to July 26, 2015.

TERMS OF REFERENCE

7. In preparing this report, the Monitor has relied upon unaudited financial information of Nelson, Nelson's books and records, certain financial information prepared by Nelson and discussions with various parties (the "**Information**").
8. Except as described in this Report:

² In addition to the reports filed by the Monitor, A&M filed a pre-filing report dated May 11, 2015 (the "**Pre-Filing Report**") and a supplement to the Pre-Filing Report dated May 26, 2015.

- (a) The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook;
 - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
10. The Monitor has prepared this Report in connection with the Sale Approval Motion and the August 13 Fee Approval Motion. The Report should not be relied on for other purposes.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. For the purposes of this Report, a US to Canadian dollar exchange rate of \$0.80 has been used for the conversion of US\$ denominated amounts where necessary.
12. Capitalized terms not otherwise defined herein have the meanings defined in the Amended Initial Order, the affidavit of Mr. Greg Nordal sworn May 11, 2015 filed in support of the Initial Application (the "**Nordal May 11 Affidavit**"), in the affidavit of Mr. Dean Mullett of A&M sworn May 11, 2015 and filed in support of the Sale Approval Motion (the "**Mullett Affidavit**") or in the previous reports of the Monitor.

RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO JULY 17, 2015

13. Nelson's actual cash flow on a consolidated basis for the period from June 27 to July 17, 2015, was approximately \$1.8 million better than the July 6 Forecast, as summarized below:

| | Forecast | Actual | Variance |
|--------------------------------|----------------|----------------|--------------|
| | \$000 | \$000 | \$000 |
| Receipts: | | | |
| Sales Receipts | 3,456 | 4,593 | 1,137 |
| Other Receipts | 662 | 371 | (291) |
| Total Receipts | 4,118 | 4,964 | 846 |
| Disbursements: | | | |
| Operating Expenses | 3,107 | 2,980 | 127 |
| Payroll & Benefits | 1,445 | 1,393 | 52 |
| KERP | 332 | 332 | 0 |
| Other Expenses | 812 | 204 | 608 |
| Capex and Plate | 520 | 482 | 38 |
| Professional Fees | 917 | 785 | 132 |
| Financing Charges | 0 | 0 | 0 |
| Total Disbursements | 7,133 | 6,176 | 957 |
| Net Operating Cash Flow | (3,015) | (1,212) | 1,803 |
| Beginning Cash Balance | 17,584 | 17,584 | 0 |
| Net Operating Cash Flow | (3,015) | (1,212) | 1,803 |
| Ending Cash Balance | 14,569 | 16,372 | 1,803 |

14. Explanations for the key variances in actual receipts and disbursements as compared to the July 6 Forecast are as follows:
- (a) The favourable variance of approximately \$0.8 million in sales receipts is believed to be a timing variance as a result of collections being received earlier than forecast;

- (b) The favourable variance of approximately \$0.1 million in operating expenses comprises of a permanent favourable variance of approximately \$0.2 million in paper, print and binding spend offset by an adverse timing variance of approximately \$0.1 million in royalties;
- (c) The favourable variance of approximately \$0.6 million in other expenses is a permanent variance arising primarily from lower than projected spend on facility costs, sales and marketing expenses and non-restructuring professional fees and foreign exchange gains; and
- (d) The favourable variance of approximately \$0.1 million in professional fees is believed to be primarily timing in nature and expected to reverse in future periods.

THE JULY 24 FORECAST

15. The July 24 Forecast is attached hereto as Appendix A. The July 24 Forecast shows a net cash inflow of approximately \$21.1 million in the period July 18 to October 30, 2015, and is summarized below:

- 7 -

| | \$000 |
|--------------------------------|---------------|
| Receipts: | |
| Sales Receipts | 63,290 |
| Other Receipts | 640 |
| Total Receipts | 63,930 |
| Disbursements: | |
| Operating Expenses | 21,195 |
| Payroll & Benefits | 9,977 |
| KERP | 0 |
| Other Expenses | 7,073 |
| Capex and Plate | 2,515 |
| Professional Fees | 2,082 |
| Financing Charges | 0 |
| Total Disbursements | 42,842 |
| Net Operating Cash Flow | 21,088 |
| Beginning Cash Balance | 16,372 |
| Net Operating Cash Flow | 21,088 |
| Ending Cash Balance | 37,460 |

16. There are no significant changes in the key underlying assumptions of the July 24 Forecast as compared to the July 6 Forecast.

UNSOLICITED INTEREST

17. Paragraphs 75 to 77 of the Monitor's Second Report stated:

“75. Since its appointment, the Monitor has received two unsolicited enquiries from parties expressing an interest in the acquisition of Nelson. One of the parties had been contacted during the SISP and had passed on the opportunity. The other is the party that had contacted A&M in January 2015 but decided not to proceed.

76. As discussed later in this Report, the Monitor is of the view that reopening the SISP at this time is not likely to result in a transaction at a value sufficient to repay the First Lien Debt and that parties reconsidering their decision to

not participate in the SISP does not, in and of itself, justify reopening the process.

77. Notwithstanding, Nelson has agreed to provide the two parties the opportunity to conduct due diligence while preparing for the Sale Approval Motion.”

18. Each of the two parties was contacted with respect to the opportunity. Both parties have confirmed that they have no interest in pursuing the opportunity further.

THE AUGUST 13 FEE APPROVAL MOTION

19. The Monitor respectfully seeks an Order approving:
- (a) The activities of the Monitor as described in the Monitor’s First, Second and Third Reports;
 - (b) The fees and disbursements of the Monitor and its legal counsel for the period from May 29, 2015 to July 26, 2015
20. The Monitor has been paid its fees and disbursements at their standard rates and charges by Nelson from time to time as part of the costs of the CCAA Proceedings.
21. Paragraph 24 of the Amended Initial Order states:
- “THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.”

22. The Monitor and Norton Rose Fulbright Canada LLP (the “**Monitor’s Counsel**”) have maintained records of their professional time and costs. The Monitor now seeks approval of its fees and disbursements of the fees and disbursements of the Monitor’s Counsel for the period May 29, 2015 to July 26, 2015 (the “**Period**”).
23. The total fees and disbursements of the Monitor during the Period amount to \$277,058.95 (the “**Monitor Fees and Disbursements**”), including \$251,584.50 for fees and \$25,474.45 for disbursements (all excluding applicable taxes). The time spent by the Monitor’s personnel in the Period is more particularly described in the affidavit of Nigel Meakin of the Monitor, sworn August 4, 2015 in support of the Monitor’s request for approval of the Monitor Fees and Disbursements. A copy of the affidavit of Mr. Meakin is attached hereto as Appendix B.
24. The total fees and disbursements of the Monitor’s Counsel during the Period amount to \$103,972.71 (the “**Monitor’s Counsel Fees and Disbursements**”), including invoiced fees of \$103,706.50 and disbursements of \$266.21 (all excluding applicable taxes). The time spent by the Monitor’s Counsel’s personnel in the Period is more particularly described in the affidavit of Orestes Pasparakis, a partner of the Monitor’s Counsel, sworn August 4, 2015 in support of the Monitor’s request for approval of the Monitor’s Counsel Fees and Disbursements. A copy of the affidavit of Mr. Pasparakis is attached hereto as Appendix C.
25. The Monitor respectfully submits that the Monitor’s Fees and Disbursements and the Monitor’s Counsel Fees and Disbursements are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Orders issued in the CCAA Proceedings. Accordingly, the Monitor respectfully seeks the approval of the Monitor Fees and Disbursements and the Monitor’s Counsel Fees and Disbursements.

The Monitor respectfully submits to the Court this, its Third Report.

Dated this 4th day of August, 2015.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Nelson Education Ltd. and Nelson Education Holdings Ltd.



Nigel D. Meakin
Senior Managing Director



Toni Vanderlaan
Senior Managing Director

Appendix A

The July 24 Forecast

Nelson Education Ltd.
 Cash flow forecast for the 15-week period July 20, 2015 to October 30, 2015
 (Unaudited, in '000s CAD)

| Week Ending, Friday: | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 | Week 9 | Week 10 | Week 11 | Week 12 | Week 13 | Week 14 | Week 15 | Week 16 | Week 17 | Week 18 | Total |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 7/29/2015 | 7/31/2015 | 8/7/2015 | 8/14/2015 | 8/21/2015 | 8/28/2015 | 9/4/2015 | 9/11/2015 | 9/18/2015 | 9/25/2015 | 10/2/2015 | 10/9/2015 | 10/16/2015 | 10/23/2015 | 10/30/2015 | |
| | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | |
| Receipts | | | | | | | | | | | | | | | | |
| Sales receipts | 3,052 | 3,152 | 3,180 | 3,298 | 4,346 | 5,085 | 4,365 | 6,312 | 4,461 | 2,116 | 5,015 | 6,040 | 5,699 | 4,014 | 2,844 | 63,290 |
| Other receipts | 41 | 221 | - | - | 190 | - | - | - | 150 | - | - | - | 78 | - | - | 640 |
| Total Receipts | 3,093 | 3,373 | 3,180 | 3,298 | 4,536 | 5,085 | 4,365 | 6,312 | 4,611 | 2,116 | 5,015 | 6,040 | 5,777 | 4,014 | 2,844 | 63,930 |
| Disbursements | | | | | | | | | | | | | | | | |
| Operating expenses | 632 | 284 | 326 | 360 | 6,204 | 477 | 566 | 535 | 4,952 | 527 | 753 | 2,106 | 2,224 | 813 | 487 | 21,196 |
| Payroll & benefits | 1,145 | 14 | 1,345 | 5 | 1,140 | 5 | 1,340 | 5 | 1,140 | 5 | 1,340 | 5 | 1,140 | 5 | 1,340 | 9,977 |
| NERP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expenses | 372 | 703 | 245 | 91 | 412 | 1,158 | 148 | 128 | 984 | 1,257 | 298 | 187 | 263 | 501 | 846 | 7,074 |
| Capital expenditures and plate spend | 168 | 182 | 294 | 157 | 164 | 244 | 128 | 128 | 108 | 188 | 152 | 152 | 152 | 146 | 146 | 2,524 |
| Professional fees | 361 | 240 | 165 | 200 | 165 | 140 | 140 | 115 | 115 | 115 | 65 | 65 | 65 | 65 | 65 | 2,081 |
| Financing charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Disbursements | 2,678 | 1,429 | 2,375 | 813 | 8,085 | 2,024 | 2,321 | 510 | 6,680 | 2,092 | 2,608 | 2,615 | 3,845 | 1,536 | 2,837 | 42,842 |
| Net Operating Cash Flow | 415 | 1,944 | 805 | 2,485 | (3,549) | 3,061 | 2,044 | 5,402 | (2,069) | 24 | 2,407 | 3,425 | 2,232 | 2,478 | 8 | 21,087 |
| Beginning Cash Balance | 16,379 | 16,788 | 18,747 | 19,552 | 22,036 | 18,447 | 21,509 | 29,559 | 28,955 | 26,985 | 26,910 | 29,317 | 32,742 | 34,974 | 37,452 | 16,379 |
| Net Cash Flow | 415 | 1,959 | 805 | 2,485 | (3,589) | 3,051 | 2,044 | 5,402 | (2,069) | 24 | 2,407 | 3,425 | 2,232 | 2,478 | 8 | 21,087 |
| Ending Cash Balance | 16,794 | 18,747 | 19,552 | 22,036 | 18,447 | 21,509 | 29,559 | 29,961 | 26,886 | 26,910 | 29,317 | 32,742 | 34,974 | 37,452 | 37,460 | 37,460 |

To be read in conjunction with the attached Notes and Summary of Assumptions.

Nelson Education Ltd.
Cash Flow Forecast
Notes and Summary of Assumptions

In the Matter of the CCAA Proceedings of Nelson Education Ltd. ("Nelson Education") and Nelson Education Holdings Ltd. ("Holdings", together with Nelson Education, the "Company").

Disclaimer

In preparing this cash flow forecast (the "Forecast"), the Company has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. The Forecast includes assumptions discussed below with respect to the requirements and impact of a filing under the Companies' Creditors Arrangement Act ("CCAA"). Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Forecast assumes disbursements are made in accordance with the normal payment terms for the Companies' creditors and consistent with the Companies' historical practice. The Company, with assistance from its Financial Advisor, has prepared the Forecast based primarily on historical results and Management's current expectations. The Forecast is presented in thousands of Canadian dollars.

Assumptions

1) **Opening Position**

The opening cash balance as at July 20, 2015.

2) **Receipts**

Receipts from sales are estimated based on current accounts receivable collections and Management's current sales forecast for both the Higher Education ("HE") and Kindergarten to Grade 12 ("K-12") businesses. Sales taxes are included in forecast receipts. Other receipts include monthly reimbursements from Cengage Learning USA ("Cengage") for certain expenses Nelson incurs on Cengage's behalf.

3) **Operating Expenses**

Operating expenses include Paper, Print, and Binding ("PP&B") costs which are forecast based on current accounts payable and Management's current cost of sales forecast for both the HE and K-12 businesses.

Operating expenses also include royalty payments to authors for Indigenous content originally created/published by Nelson and royalty payments to Cengage or other affiliated companies in the U.S. for agency products (i.e. products originally created/published by third parties).

4) **Payroll & benefits**

Disbursements include payroll, payroll taxes and employee benefits for salaried and hourly employees, and are forecast based on historical run-rates. All employees are paid a salary and are entitled to participate in the Company's benefit program, defined contribution pension plan and incentive plan. All employees are paid bi-weekly, two weeks in arrears. The Company offers all of its employees comprehensive medical and dental benefits through Sun Life Financial.

5) **Other expenses**

These disbursements include insurance, facility costs, sales tax remittance, service agreements with Cengage, selling, general and administrative expenses, marketing expenses, travel and entertainment and other ongoing operating expenses.

6) **Capital Expenditures and Plate Spend**

Capital expenditures are based on expected license renewals and hardware upgrades for laptops, cell phones and network equipment. In addition, ongoing capital expenditures includes maintenance costs required for Nelson's facility, warehouse equipment and general infrastructure.

Plate spend comprises a significant capital outlay for the development of new content and material that generates revenue for a number of future fiscal periods. The cost of plate spend is based on the accumulation of costs, either external invoices paid to third-party vendors, or for internal labour and associated costs, as an allocation of time spent on a project based on actual hours incurred. Plate spend is tracked at the ISBN level (title by title). For cash flow purposes only cash paid to third-party vendors is captured above. Internal labour costs are forecast in the payroll and benefits line item.

7) **Professional Fees**

These disbursements include payments to Nelson's financial advisors and legal counsel and the Monitor and its legal counsel. The Forecast does not include payment of ordinary course professional fees of First or Second Lien Lenders' financial or legal advisors.

8) **Financing Charges**

The forecast assumes that no payment will be made in respect of interest or fees for the First or Second Lien Lenders.

Appendix B

Affidavit of Nigel Meakin

**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
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**AFFIDAVIT OF NIGEL D. MEAKIN
(sworn August 4, 2015)**

I, Nigel D. Meakin, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Managing Director of FTI Consulting Canada Inc. ("FTI") and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. On May 12, 2015, Nelson Education Ltd. and Nelson Education Holdings Ltd. (together, "Nelson") made an application (the "Initial Application") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and an initial order (as subsequently amended, the "Initial Order") was made by the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "Court"), granting, *inter alia*, a stay of proceedings against Nelson until June 10, 2015, (the "Stay Period") and appointing Alvarez & Marsal Canada Inc. (together with its affiliates, "A&M") as monitor of Nelson. The proceedings commenced by Nelson under the CCAA will be referred to herein as the "CCAA Proceedings".
3. On May 29, 2015 FTI was appointed as Monitor (the "Monitor") in place of A&M pursuant to the Order of the Honourable Mr. Justice Newbould.
4. The Monitor and counsel to the Monitor have been paid their fees and disbursements at their standard rates and charges by the Applicants from time to time as part of the costs of the CCAA Proceedings.

5. Pursuant to paragraph 24 of the Initial Order the Monitor and its legal counsel are required to pass their accounts with the Court from time to time.
6. The total fees and disbursements of the Monitor in the period from May 29, 2015 to July 26, 2015 (the "Period") amount to \$277,058.95 (the "Monitor Fees and Disbursements"), including fees of \$251,584.50 and disbursements of \$25,474.45 (all excluding applicable taxes). Attached hereto and marked as **Exhibit "A"** to this, my Affidavit, is a summary of the invoices rendered by the Monitor during the Period (the "Accounts"). True copies of the Accounts are attached as **Exhibit "B"** to this my Affidavit.
7. The activities undertaken and services provided by the Monitor in connection with the administration of the CCAA Proceedings are described the Monitor's Reports filed with the Court. Contemporaneously with the filing of this Affidavit, the Monitor is filing its Third Report to the Court and is seeking approval of the activities of the Monitor with respect to its conduct as set out in the First, Second and Third Reports in a motion returnable August 13, 2015.
8. In the course of performing its duties, personnel of the Monitor have expended a total of 332.8 hours during the Period. Attached as **Exhibit "C"** to this my Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the proceedings and the hours and applicable average rates per person claimed by the Monitor for the Period. The average hourly rate billed by the Monitor during the Period is \$755.96. A schedule of the descriptions of the services provided by the Monitor's staff is attached as **Exhibit "D"** to this my affidavit.
9. The Monitor requests that this Honourable Court approve its Accounts for the Period, in the total amount of \$277,058.95 (excluding applicable taxes).
10. Norton Rose Fulbright Canada LLP, counsel to the Monitor ("**Monitor's Counsel**"), has rendered services throughout the CCAA Proceedings in a manner consistent with the instructions of the Monitor.
11. The total fees for services and disbursements provided by Monitor's Counsel during the period May 29, 2015 to July 26, 2015, amount to \$103,972.71 (the "**Monitor's Counsel Fees and Disbursements**"), including fees of \$103,706.50 and disbursements of \$266.21 (all excluding applicable taxes). The time spent by Monitor's Counsel's personnel is more particularly described in the Affidavit of Orestes Pasparakis, a partner of the Monitor's Counsel, sworn August 4, 2015

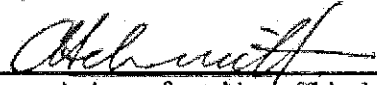
in support of the Monitor's request for approval of the Monitor's Counsel Fees and Disbursements.

12. To the best of my knowledge, the rates charged by the Monitor and Monitor's Counsel are comparable to the rates charged for the provision of similar services by other large restructuring firms and law firms in the Toronto market.

13. I verily believe that the fees and disbursements incurred by the Monitor and Monitor's Counsel are fair and reasonable in the circumstances.

14. This Affidavit is sworn in connection with a motion for an Order of this Honourable Court approving the fees and disbursements of the Monitor and those of its legal counsel all as described herein and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on August 4, 2015


Commissioner for taking affidavits

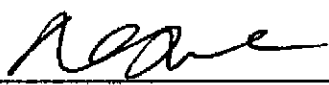
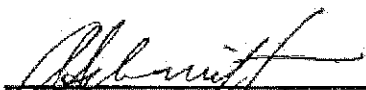

Nigel D. Meakin

Exhibit A

Summary of Invoices

This is Exhibit "A" to the Affidavit of
Nigel. D. Meakin sworn August 4, 2015



Commissioner for Taking Affidavits

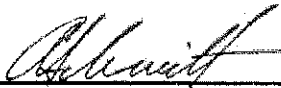
Nelson Education Ltd.
Summary of FTI Invoices
May 28, 2015 to July 28, 2015

| Invoice # | Invoice Date | Period End Date | Fee | Expenses | Fees + Expenses | GST/HST | Total |
|--------------|---------------|-----------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| 29001477 | June 17, 2015 | June 14, 2015 | \$ 112,328.50 | \$ 14,202.04 | \$ 126,530.54 | \$ 16,449.97 | \$ 142,979.51 |
| 29001513 | June 30, 2015 | June 30, 2015 | \$ 63,144.00 | \$ 3,816.09 | \$ 66,960.09 | \$ 8,704.81 | \$ 75,664.90 |
| 29001541 | July 23, 2015 | July 19, 2015 | \$ 65,601.00 | \$ 8,825.66 | \$ 72,426.66 | \$ 9,415.47 | \$ 81,842.13 |
| 29001546 | July 30, 2015 | July 26, 2015 | \$ 10,511.00 | \$ 630.66 | \$ 11,141.66 | \$ 1,448.42 | \$ 12,590.08 |
| TOTAL | | | \$ 261,584.50 | \$ 26,474.45 | \$ 277,058.95 | \$ 36,017.67 | \$ 313,076.62 |

Exhibit B

Copies of Accounts

This is Exhibit "B" to the Affidavit of
Nigel. D. Meakin sworn August 4, 2015



Commissioner for Taking Affidavits



Invoice Summary

Nelson Education Ltd.
1 120 Birchmount Rd
Scarborough, Ontario
Canada M1K 5G4

June 17, 2015
FTI Invoice No. 29001477
FTI Job No. 442412.0002
Terms Payment on Presentation

Current Invoice Period: Charges Posted through June 14, 2015

| Name | Title | Rate | Hours | Total |
|---------------------------------------------|-----------------------------|----------|--------------|---------------------|
| Nigel Meakin | Senior Managing Director | \$840.00 | 29.8 | \$25,032.00 |
| Toni Vanderlaan | Senior Managing Director | \$805.00 | 57.2 | \$46,046.00 |
| Craig Munro | Managing Director | \$690.00 | 58.9 | \$40,641.00 |
| Linda Kelly | Administrative Professional | \$115.00 | 5.3 | \$609.50 |
| Total Hours and Fees | | | 151.2 | \$112,328.50 |
| Business Meals | | | | \$275.40 |
| Admin | | | | \$6,739.71 |
| Lodging | | | | \$1,940.14 |
| Transportation | | | | \$5,246.79 |
| Total Expenses | | | | \$14,202.04 |
| HST Registration No. 835718024RT0001 | | | | \$16,448.97 |
| Invoice Total for Current Period | | | | \$142,979.51 |



Invoice Summary

Nelson Education Ltd.
1120 Birchmount Rd
Scarborough, Ontario
Canada M1K 5G4

June 30, 2015
FTI Invoice No. 29001513
FTI Job No. 442412.0002
Terms Payment on Presentation

Current Invoice Period: Charges Posted through June 30, 2015

| Name | Title | Rate | Hours | Total |
|---------------------------------------------|--------------------------|----------|-------------|--------------------|
| Nigel Meakin | Senior Managing Director | \$840.00 | 6.5 | \$5,460.00 |
| Toni Vanderlaan | Senior Managing Director | \$805.00 | 50.4 | \$40,572.00 |
| Craig Munro | Managing Director | \$690.00 | 24.8 | \$17,112.00 |
| Total Hours and Fees | | | 81.7 | \$63,144.00 |
| Admin | | | | \$3,788.64 |
| Transportation | | | | \$27.45 |
| Total Expenses | | | | \$3,816.09 |
| HST Registration No. 835718024RT0001 | | | | \$8,704.81 |
| Invoice Total for Current Period | | | | \$75,664.90 |



Invoice Summary

Nelson Education Ltd.
1120 Birchmount Rd
Scarborough, Ontario
Canada M1K 5G4

July 23, 2015
FTI Invoice No. 29001541
FTI Job No. 442412.0002
Terms Payment on Presentation

Current Invoice Period: Charges Posted through July 19, 2015

| Name | Title | Rate | Hours | Total |
|---------------------------------------------|--------------------------|----------|-------------|--------------------|
| Nigel Meakin | Senior Managing Director | \$840.00 | 33.0 | \$27,720.00 |
| Toni Vanderlaan | Senior Managing Director | \$805.00 | 20.4 | \$16,422.00 |
| Craig Munro | Managing Director | \$690.00 | 31.1 | \$21,459.00 |
| Total Hours and Fees | | | 84.5 | \$65,601.00 |
| Admin | | | | \$3,936.06 |
| Other/Miscellaneous | | | | \$2,889.60 |
| Total Expenses | | | | \$6,825.66 |
| HST Registration No. 835718024RT0001 | | | | \$9,415.47 |
| Invoice Total for Current Period | | | | \$81,842.13 |



Invoice Summary

Nelson Education Ltd.
1120 Birchmount Rd
Scarborough, Ontario
Canada M1K 5G4

July 30, 2015
FTI Invoice No. 29001546
FTI Job No. 442412.0002
Terms Payment on Presentation

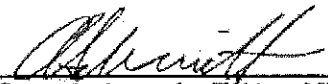
Current Invoice Period: Charges Posted through July 26, 2015

| Name | Title | Rate | Hours | Total |
|-----------------------------------------|-----------------------------|----------|-------------|--------------------|
| Craig Munro | Managing Director | \$690.00 | 15.2 | \$10,488.00 |
| Linda Kelly | Administrative Professional | \$115.00 | 0.2 | \$23.00 |
| Total Hours and Fees | | | 15.4 | \$10,511.00 |
| Admin | | | | \$630.66 |
| Total Expenses | | | | \$630.66 |
| HST Registration No. 835718024RT0001 | | | | \$1,448.42 |
| Invoice Total for Current Period | | | | \$12,590.08 |

Exhibit C

Summary of Staff Hours

This is Exhibit "C" to the Affidavit of
Nigel D. Meakin sworn August 4, 2015



Commissioner for Taking Affidavits

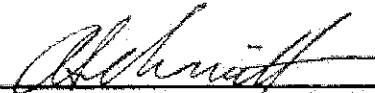
Nelson Education Ltd.
Summary of FTI Invoices
May 29, 2015 to July 26, 2015

| Professional | Title | Hours | Hourly Rate | Total |
|---------------------|-----------------------------|----------------------------|--------------------|----------------------|
| Nigel Meakin | Senior Managing Director | 69.30 | \$ 840.00 | \$ 58,212.00 |
| Toni Vanderlaan | Senior Managing Director | 128.00 | \$ 805.00 | \$ 103,040.00 |
| Craig Munro | Managing Director | 130.00 | \$ 690.00 | \$ 89,700.00 |
| Linda Kelly | Administrative Professional | 5.50 | \$ 115.00 | \$ 632.50 |
| TOTAL | | 332.80 | | \$ 251,584.50 |
| | | Average Hourly Rate | \$ 755.96 | |

Exhibit D

Schedule of Description of Services

This is Exhibit "D" to the Affidavit of
Nigel. D. Meakin sworn August 4, 2015



Commissioner for Taking Affidavits

Nelson Education Ltd.
Schedule of Time Charges
May 29, 2015 to July 28, 2015

| Date | Invoice # | Name | Hours | Rate | Amount | Narrative |
|----------|-----------|-----------------|-------|--------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 06/01/15 | 29001477 | Craig Munro | 14.50 | 690.00 | \$ 10,005.00 | Travel from Vancouver to Toronto. Review Initial Application materials and background information. Meeting with N. Meakin and T. Vanderlaan regarding planning. Meeting with Monitor counsel. Meeting with company counsel. Set up Monitor's website. Meeting with company and A&M. Review cash flow. |
| 06/01/15 | 29001477 | Linda Kelly | 3.50 | 115.00 | \$ 402.50 | Create Monitor website for filing. Post documents to the Monitor's website. Work with IT to develop email address and phone numbers. |
| 06/01/15 | 29001477 | Nigel Meakin | 8.50 | 840.00 | \$ 7,140.00 | Numerous calls, discussions, and meetings. Review of documents. Planning discussion. Meeting with Monitor's counsel. Meeting with company counsel. Follow up calls and meeting with management. Follow up discussion and planning. |
| 06/01/15 | 29001477 | Toni Vanderlaan | 8.50 | 805.00 | \$ 6,842.50 | Meeting with A&M to review monitoring procedures and cash flow update. Review and approve disbursements. Review cash flow model. Website set up correspondence. |
| 06/02/15 | 29001477 | Craig Munro | 6.00 | 690.00 | \$ 4,140.00 | Upload documents to the Monitor's website. |
| 06/02/15 | 29001477 | Linda Kelly | 0.30 | 115.00 | \$ 34.50 | Numerous calls, discussions, and meetings. Review of documents. |
| 06/02/15 | 29001477 | Nigel Meakin | 9.00 | 840.00 | \$ 7,560.00 | Meeting with A&M in respect of sales process. Calls and discussions with counsel. Meeting with TGF and second lien lenders. Call with counsel to the company. Email with company management. Call with first lien lenders. |
| 06/02/15 | 29001477 | Toni Vanderlaan | 8.50 | 805.00 | \$ 6,842.50 | Review variance analysis. Prepare wording for Monitor's report on cash monitoring. Review draft cash flow. Review draft report. Update website. Set up voice message mailbox. Review and approve wire payments. Correspondence with A&M regarding cash flows. Edit variance analysis. |
| 06/03/15 | 29001477 | Craig Munro | 8.00 | 690.00 | \$ 5,520.00 | Post documents to the Monitor's website. Create voicemail for Monitor's hotline. |
| 06/03/15 | 29001477 | Linda Kelly | 0.40 | 115.00 | \$ 46.00 | Numerous calls, discussions, and meetings. Review of documents. |
| 06/03/15 | 29001477 | Nigel Meakin | 6.00 | 840.00 | \$ 5,040.00 | Call with company management. Call with TGF. Discussions and planning. |
| 06/03/15 | 29001477 | Toni Vanderlaan | 5.50 | 805.00 | \$ 4,427.50 | Review of Monitor's Report. Discussion with FTI media specialist. Follow up call with A&M. |
| 06/04/15 | 29001477 | Craig Munro | 7.50 | 690.00 | \$ 5,175.00 | Review revised cash flow projections. Revise wording in model. Call with S. Aubert and G. Karpel regarding revised cash flow. Revise and finalize Monitor's Report. |
| 06/04/15 | 29001477 | Linda Kelly | 0.50 | 115.00 | \$ 57.50 | Upload documents to the Monitor's website. |
| 06/04/15 | 29001477 | Nigel Meakin | 4.00 | 840.00 | \$ 3,360.00 | Numerous calls, discussions, and meetings. Review of documents. |
| 06/04/15 | 29001477 | Toni Vanderlaan | 2.50 | 805.00 | \$ 2,012.50 | Calls to potential purchasers. Follow up on various requests for information. Discussions with counsel. |
| 06/05/15 | 29001477 | Linda Kelly | 0.30 | 115.00 | \$ 34.50 | Upload documents to the Monitor's website. |
| 06/05/15 | 29001477 | Nigel Meakin | 2.00 | 840.00 | \$ 1,680.00 | Numerous calls, discussions, and meetings. Review of documents. |
| 06/05/15 | 29001477 | Toni Vanderlaan | 7.50 | 805.00 | \$ 6,037.50 | Respond to memo from TGF outlining various concerns. Follow up on transaction information. Calls with potential purchasers. Planning call with management in respect of operation restructuring and improvements. Follow up with FTI debt specialists. |
| 06/07/15 | 29001477 | Craig Munro | 5.00 | 690.00 | \$ 3,450.00 | Travel from Vancouver to Toronto. Review correspondence and cash flow materials. |
| 06/08/15 | 29001477 | Craig Munro | 6.00 | 690.00 | \$ 4,140.00 | Meeting with S. Aubert. Tour of office, warehouses, and print shop. Review payroll register. Review cash flow and attend meeting with S. Aubert regarding queries. |
| 06/08/15 | 29001477 | Linda Kelly | 0.30 | 115.00 | \$ 34.50 | Upload documents to the Monitor's website. |
| 06/08/15 | 29001477 | Nigel Meakin | 0.30 | 840.00 | \$ 252.00 | Emails and calls regarding status updates and open issues. |
| 06/08/15 | 29001477 | Toni Vanderlaan | 6.50 | 805.00 | \$ 5,232.50 | Conference call with counsel to discuss form of order. Attendance at court. Collect website court materials. Emails with counsel. Calls to potential purchasers. Follow up on outstanding information. Planning update call with N. Meakin. |
| 06/09/15 | 29001477 | Craig Munro | 2.50 | 690.00 | \$ 1,725.00 | Review weekly disbursements. Follow up with S. Aubert regarding queries. Email exchange with G. Karpel. |
| 06/09/15 | 29001477 | Toni Vanderlaan | 6.20 | 805.00 | \$ 4,991.00 | Calls and emails with Norton Rose Fulbright. Calls and emails with Thomson Groul Finnigan. Call with Goodmans. Review of Information for investigation. Review Notice to Creditors. Calls to interested parties. |
| 06/10/15 | 29001477 | Craig Munro | 4.00 | 690.00 | \$ 2,760.00 | Travel from Toronto to Vancouver. Review payroll and other disbursement requests. Review correspondence. Follow up with G. Karpel. Email update to N. Meakin. Review cash flow. |
| 06/10/15 | 29001477 | Toni Vanderlaan | 5.50 | 805.00 | \$ 4,427.50 | Continued review of information in respect of sales process. Calls with Thomson Groul Finnigan. Email correspondence with Norton Rose Fulbright. |
| 06/11/15 | 29001477 | Craig Munro | 2.90 | 690.00 | \$ 2,001.00 | Email with N. Meakin regarding enquiry from DJM. Review cash flow and variance report. Respond to email. Review variance report from G. Karpel. Review disbursements from S. Aubert. Review analysis of YOY and actual to budget for FY15. |

Nelson Education Ltd.
Schedule of Time Charges
May 29, 2015 to July 28, 2015

| Date | Invoice # | Name | Hours | Rate | Amount | Narrative |
|----------|-----------|-----------------|-------|--------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 06/11/15 | 29001477 | Toni Vanderlaan | 4.30 | 805.00 | \$ 3,461.50 | Calls and follow up on review of sales process and assessment of next steps. |
| 06/12/15 | 29001477 | Craig Munro | 2.50 | 690.00 | \$ 1,725.00 | Email exchange with T. Vanderlaan. Review cash flow variance analysis. Email exchange with G. Karpel. |
| 06/12/15 | 29001477 | Toni Vanderlaan | 2.20 | 805.00 | \$ 1,771.00 | Call with Norton Rose Fulbright and N. Meakin in respect of sales process. Review of materials provided. Emails and discussions with A&M. Call with J. Yozzo to review transactions and debt multiples. |
| 06/15/15 | 29001513 | Toni Vanderlaan | 0.60 | 805.00 | \$ 483.00 | Review Notice to Creditors. |
| 06/16/15 | 29001513 | Craig Munro | 2.40 | 690.00 | \$ 1,656.00 | Review disbursement requests. Email S. Aubert regarding queries. Compare disbursements with projection. |
| 06/16/15 | 29001513 | Nigel Meakin | 0.50 | 840.00 | \$ 420.00 | Attend calls and discussions. |
| 06/16/15 | 29001513 | Toni Vanderlaan | 2.50 | 805.00 | \$ 2,012.50 | Call with G. Nordal regarding Cengage negotiations. Review of company information. Calls to interested parties. Prepare notes for report. |
| 06/17/15 | 29001513 | Craig Munro | 2.80 | 690.00 | \$ 1,932.00 | Disbursement approval. Review variance analysis. |
| 06/18/15 | 29001513 | Craig Munro | 1.30 | 690.00 | \$ 897.00 | Review disbursements. Email with S. Aubert regarding bonus payments. Review and respond to email from interested parties. |
| 06/18/15 | 29001513 | Nigel Meakin | 0.50 | 840.00 | \$ 420.00 | Call with interested parties. Update call. Review correspondence. |
| 06/18/15 | 29001513 | Toni Vanderlaan | 5.50 | 805.00 | \$ 4,427.50 | Review of information. Summary of outstanding and follow up items. Email additional questions to A&M. Planning for session with Goodmans. Meeting with Goodmans. Plan for report. |
| 06/19/15 | 29001513 | Nigel Meakin | 0.50 | 840.00 | \$ 420.00 | Call with counsel. |
| 06/19/15 | 29001513 | Toni Vanderlaan | 4.50 | 805.00 | \$ 3,622.50 | Prepare for meeting with second lien lenders. Attend meeting with second lien. Follow up on additional information resulting from requests by Second Liens. Review of company information. |
| 06/22/15 | 29001513 | Craig Munro | 4.00 | 690.00 | \$ 2,760.00 | Review backup for bonus payments. Email exchange with S. Aubert. Review disbursement requests. Email update to N. Meakin and T. Vanderlaan. |
| 06/22/15 | 29001513 | Toni Vanderlaan | 3.30 | 805.00 | \$ 2,656.50 | Call with the company on revenue reporting. Calls with J. Miller of CDG. Call with TGF and second lien lenders. Follow up on various matters. Update call with Norton Rose Fulbright. |
| 06/23/15 | 29001513 | Craig Munro | 3.60 | 690.00 | \$ 2,484.00 | Conference call with S. Aubert regarding bonus calculation spreadsheets. Review weekly disbursements. |
| 06/23/15 | 29001513 | Toni Vanderlaan | 2.00 | 805.00 | \$ 1,610.00 | Follow up on various matters. Call with R. Chadwick. Email exchange with counsel. |
| 06/24/15 | 29001513 | Craig Munro | 1.30 | 690.00 | \$ 897.00 | Review payroll and approve. Review other disbursement requests. |
| 06/24/15 | 29001513 | Toni Vanderlaan | 2.50 | 805.00 | \$ 2,012.50 | Call with counsel to bondholders. Review draft report. Set up Board of Directors call. |
| 06/25/15 | 29001513 | Craig Munro | 2.70 | 690.00 | \$ 1,863.00 | Review KERP agreements. Emails with N. Meakin and T. Vanderlaan regarding the same. Review GST and other disbursement requests. |
| 06/25/15 | 29001513 | Toni Vanderlaan | 8.00 | 805.00 | \$ 6,440.00 | Review of legal and company materials. Plan draft report. |
| 06/26/15 | 29001513 | Craig Munro | 2.50 | 690.00 | \$ 1,725.00 | Review weekly variance analysis. Email update with T. Vanderlaan and N. Meakin. Email to G. Karpel regarding report timing. Call with G. Karpel regarding same. Email regarding outstanding fee estimates. |
| 06/26/15 | 29001513 | Toni Vanderlaan | 4.00 | 805.00 | \$ 3,220.00 | Follow up emails and calls regarding various matters. Draft report. Call with G. Nordal to provide status update. Correspondence with counsel. |
| 06/29/15 | 29001513 | Craig Munro | 2.00 | 690.00 | \$ 1,380.00 | Review KERP disbursement request. Email and call with G. Karpel regarding cash flow period. Email with G. Nordal. Email regarding fee status. |
| 06/29/15 | 29001513 | Nigel Meakin | 4.00 | 840.00 | \$ 3,360.00 | Preparation for and attendance in court. Report considerations. Call with director. Call to company. Review correspondence. |
| 06/29/15 | 29001513 | Toni Vanderlaan | 9.00 | 805.00 | \$ 7,245.00 | Call with R. Dunn. Review of Motion Materials and company reports. Correspondence regarding the same. Draft report. Emails with counsel. Update on scheduling. Call with J. Miller of CDG. |
| 06/30/15 | 29001513 | Craig Munro | 2.20 | 690.00 | \$ 1,518.00 | Emails regarding report timing and cash flow. Email with G. Karpel. Emails with N. Meakin and T. Vanderlaan regarding the same. Review disbursement requests. |
| 06/30/15 | 29001513 | Nigel Meakin | 1.00 | 840.00 | \$ 840.00 | Calls and discussions. Review emails. |
| 06/30/15 | 29001513 | Toni Vanderlaan | 10.50 | 805.00 | \$ 8,452.50 | Confirmation of findings and drafting of report. |
| 07/01/15 | 29001541 | Toni Vanderlaan | 6.30 | 805.00 | \$ 5,071.50 | Draft report. |
| 07/02/15 | 29001541 | Craig Munro | 0.90 | 690.00 | \$ 621.00 | Follow up with Goodmans regarding report information. Email G. Karpel regarding cash flow forecast. |
| 07/02/15 | 29001541 | Nigel Meakin | 6.50 | 840.00 | \$ 5,460.00 | Settlement meeting. Report review. |
| 07/02/15 | 29001541 | Toni Vanderlaan | 3.50 | 805.00 | \$ 2,817.50 | Edits to draft report. Review tables and data. |

Nelson Education Ltd.
Schedule of Time Charges
May 29, 2016 to July 26, 2016

| Date | Invoice # | Name | Hours | Rate | Amount | Narrative |
|--------------|-----------|-----------------|---------------|--------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 07/03/15 | 29001541 | Craig Munro | 2.50 | 690.00 | \$ 1,725.00 | Review variance analysis. Email exchange with G. Karpel regarding queries. Draft report section for actual versus forecasted cash flow. |
| 07/03/15 | 29001541 | Nigel Meakin | 9.50 | 840.00 | \$ 7,980.00 | Review report and related matters. Attend various calls. |
| 07/04/15 | 29001541 | Craig Munro | 2.40 | 690.00 | \$ 1,656.00 | Review cash flow forecast. Email queries to G. Karpel. Email N. Meakin regarding report. |
| 07/05/15 | 29001541 | Craig Munro | 2.00 | 690.00 | \$ 1,380.00 | Review draft report and provide comments. Information requests for report. |
| 07/05/15 | 29001541 | Nigel Meakin | 8.00 | 840.00 | \$ 5,040.00 | Review report and related matters |
| 07/05/15 | 29001541 | Toni Vanderlaan | 3.50 | 805.00 | \$ 2,817.50 | Edits to draft report tables. Attend calls with N. Meakin. |
| 07/06/15 | 29001541 | Craig Munro | 1.30 | 690.00 | \$ 897.00 | Review revised report. |
| 07/06/15 | 29001541 | Nigel Meakin | 6.00 | 840.00 | \$ 5,040.00 | Calls and discussions. Review report. |
| 07/06/15 | 29001541 | Toni Vanderlaan | 3.50 | 805.00 | \$ 2,817.50 | Email correspondence and comments on updated report. Updates to schedules. Call with N. Meakin to review. |
| 07/07/15 | 29001541 | Craig Munro | 0.90 | 690.00 | \$ 621.00 | Review disbursement requests. Cash flow review. |
| 07/07/15 | 29001541 | Nigel Meakin | 3.00 | 840.00 | \$ 2,520.00 | Calls and discussions. Review report. |
| 07/07/15 | 29001541 | Toni Vanderlaan | 1.80 | 805.00 | \$ 1,288.00 | Updates and review of comments in respect of report. Call with Goodmans regarding report. |
| 07/08/15 | 29001541 | Craig Munro | 4.10 | 690.00 | \$ 2,829.00 | Review payroll. Review cash flow forecast to Oct 30. Email G. Karpel queries. Review variance analysis and email query to G. Karpel. |
| 07/08/15 | 29001541 | Nigel Meakin | 2.00 | 840.00 | \$ 1,680.00 | Calls and discussions. Review report. |
| 07/08/15 | 29001541 | Toni Vanderlaan | 0.80 | 805.00 | \$ 844.00 | Finalize second report. |
| 07/09/15 | 29001541 | Craig Munro | 1.70 | 690.00 | \$ 1,173.00 | Review disbursement requests. Call with G. Karpel regarding variance analysis. |
| 07/10/15 | 29001541 | Craig Munro | 0.30 | 690.00 | \$ 207.00 | Review disbursement requests. Follow up with G. Karpel regarding sales forecast. |
| 07/13/15 | 29001541 | Craig Munro | 2.70 | 690.00 | \$ 1,863.00 | Review cash flow statement to Oct 30. Review sales forecast. Call with C. Kroach to review sales forecast. Review cash disbursements. |
| 07/13/15 | 29001541 | Toni Vanderlaan | 1.20 | 805.00 | \$ 966.00 | Review of legal correspondence. |
| 07/14/15 | 29001541 | Craig Munro | 2.90 | 690.00 | \$ 2,001.00 | Review disbursement requests. Review cash flow forecast. |
| 07/15/15 | 29001541 | Craig Munro | 0.90 | 690.00 | \$ 621.00 | Review disbursement requests. Email update. Cash flow forecast review. |
| 07/16/15 | 29001541 | Craig Munro | 5.90 | 690.00 | \$ 4,071.00 | Review disbursements. Compare to prior forecasts. Email to C. Kroach regarding queries. Emails regarding sales forecast. Review weekly variance report. Call with C. Kroach. Email to N. Meakin. |
| 07/17/15 | 29001541 | Craig Munro | 2.60 | 690.00 | \$ 1,794.00 | Review support for DSO. Review forecast model. Call with C. Kroach regarding forecast and questions on model. |
| 07/20/15 | 29001546 | Craig Munro | 3.30 | 690.00 | \$ 2,277.00 | Reviewed updated cash flow to Oct 30. Emails with N. Meakin regarding the same. Review disbursement requests. Discussions with C. Kroach regarding cash flow and bridge. |
| 07/21/15 | 20283 | Craig Munro | 3.60 | 690.00 | \$ 2,484.00 | Review disbursement requests. Review Oct 30 cash flow and bridge. |
| 07/22/15 | 20283 | Craig Munro | 1.60 | 690.00 | \$ 1,104.00 | Review disbursement requests. Review payroll register for disbursement. Review Oct 30 cash flow. |
| 07/22/15 | 18441 | Linda Kelly | 0.20 | 115.00 | \$ 23.00 | Uploaded documents to the Monitor's website. |
| 07/23/15 | 20283 | Craig Munro | 3.90 | 690.00 | \$ 2,691.00 | Prepare cash flow bridge. Review variance analysis. Review disbursement requests. Review Oct 30 cash flow. |
| 07/24/15 | 20283 | Craig Munro | 2.80 | 690.00 | \$ 1,932.00 | Prepare bridge between report and cash flow forecast. Review week 3 variance analysis. Email to C. Kroach regarding the same. |
| TOTAL | | | 332.60 | | \$ 261,684.60 | |

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
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**AFFIDAVIT OF NIGEL MEAKIN
Sworn August 4, 2015**

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

Orestes Pasparakis LSUC# 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Evan Cobb LSUC #:55787N
Tel: (416) 216-1929
Email: Evan.Cobb@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for FTI Consulting Canada Inc.
in its capacity as Monitor

Appendix C

Affidavit of Orestes Pasparakis

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 NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.

Applicants


AFFIDAVIT OF ORESTES PASPARAKIS
(sworn August 4, 2015)

I, ORESTES PASPARAKIS, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner with the law firm of Norton Rose Fulbright Canada LLP ("**Norton Rose**"), counsel to FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of Nelson Education Ltd. and Nelson Education Holdings Ltd., and as such, have knowledge of the matters herein deposed to.
2. I hereby confirm that attached as Exhibit "A" hereto is a list of the accounts of Norton Rose for the periods indicated.
3. Attached as Exhibit "B" hereto is a summary of additional information with respect to our accounts, indicating all members of Norton Rose who worked on this matter for the period indicated, their year of call to the Bar (where applicable), their rates, and the aggregate blended rate. I confirm that the list represents an accurate summary of such information.
4. Attached as Exhibit "C" to this my affidavit are true copies of the accounts of Norton Rose for the above-noted periods. I confirm that these accounts accurately reflect the

services provided by Norton Rose in this matter for these periods and the fees and disbursements claimed by it for these periods.

SWORN BEFORE ME at the City of Toronto, on August 4, 2015.



Commissioner for taking Oaths



Orestes Pasparakis

EXHIBIT "A"

List of Accounts of Norton Rose

| <u>Date of Account</u> | <u>Fees</u> | <u>Costs</u> | <u>HST/GST</u> | <u>Total</u> |
|------------------------|-------------|--------------|----------------|--------------|
| July 21, 2015 | \$88,464.50 | \$213.97 | \$11,528.20 | \$100,206.67 |
| July 28, 2015 | \$15,242.00 | \$52.24 | \$1,988.25 | \$17,282.49 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

This is Exhibit "A" referred to in the
affidavit of Orestes Pasparakis
sworn before me, this 4th
day of August 2015
[Signature]
A COMMISSIONER, ETC.

EXHIBIT "B"

Blended Rate Table for Norton Rose


| Name | Year of Call (if applicable) | Billing Rate 2015 | Number of Hours worked | Total Dollar Amount Billed |
|--------------------|------------------------------|-------------------|------------------------|----------------------------|
| Tony Reyes | 1988 | \$1000.00 | 0.2 | \$200.00 |
| Karen Galpern | 1993 | \$855.00 | 10.5 | \$8,977.50 |
| Orestes Pasparakis | 1995 | \$1025.00 | 56.00 | \$57,400.00 |
| Robin Penslar | N/A | \$480.00 | 7.5 | \$3,600.00 |
| Evan Cobb | 2008 | \$495.00 | 40.2 | \$19,899.00 |
| Alex Schmitt | 2013 | \$340.00 | 39.5 | \$13,430.00 |
| Robert Corbeil | Student | \$200.00 | 1.0 | \$200.00 |
| | | | | |
| | | | | |

Summary of Aggregate Fees and Disbursements (excluding unbilled additional fees and costs):

| | |
|-----------------------------------|--------------------------|
| Fees: | \$103,706.50 |
| Disbursements: | \$266.21 |
| GST/HST: | \$13,516.45 |
| Total: (including GST/HST) | <u>117,489.16</u> |

| | |
|-----------------------------------------------------------|------------------------|
| Blended Rate: (excluding Disbursements and GST) | |
| \$ 103,706.50 ÷ 154.9 = | <u>\$669.51</u> |

This is Exhibit "B" referred to in the affidavit of Orestes Pasparakis sworn before me, this 4th day of August 2015.


 A. COMMISSIONER, FTE

INVOICE

Invoice Number: 1506146
Date: July 21, 2015

Barristers & Solicitors / Patent & Trade-mark Agents
Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

T : +1 416.216.4000
F : +1 416.216.3930
nortonrosefulbright.com

FTI CONSULTING CANADA INC. AS COURT
APPOINTED MONITOR IN THE
CCAA PROCEEDINGS OF NELSON EDUCATION LTD.
TD South Tower
79 Wellington Street West
Toronto Ontario M5K 1G8
Attention: Nigel Meakin
Senior Managing Director

*This is Exhibit C referred to in the
affidavit of Orestes Paspourakis
sworn before me, this 4th
day of August 2015*

[Signature]
A COMMISSIONER, ETC.
GST: R111340006

Client: FTI CONSULTING CANADA INC. AS COURT APPOINTED
MONITOR IN THE CCAA PROCEEDINGS OF NELSON
EDUCATION LTD.
Matter No: 01029574-0001
RE: Nelson Education Ltd. CCAA Proceedings

| | | |
|----------------------------------------------------------------------------------------------------|-----|--------------|
| For professional services rendered and disbursements incurred for the period ending June 30, 2015. | | |
| FEES | | 88,464.50 |
| DISBURSEMENTS (Taxable) | | 213.97 |
| DISBURSEMENTS (Non Taxable) | | 0.00 |
| | NET | 88,678.47 |
| HST | | 11,528.20 |
| TOTAL FOR THIS INVOICE IN CANADIAN DOLLARS | | \$100,206.67 |

Please note that interest at the rate of 1.3% per annum may be charged on any invoice that is not paid in full within 30 days from the date on which it was issued.

Payable upon receipt

Banking information for wire transfer
RBC Financial Group, Main Branch, Royal Bank Plaza
Toronto, Ontario, CANADA
Bank 003, Transit 00002, Acc. No. 106-030-0
Swift Code # ROYCCAT2
Include invoice number on transfer order

FTI CONSULTING CANADA INC. AS
COURT APPOINTED MONITOR IN THE
CCAA PROCEEDINGS OF NELSON
EDUCATION LTD.

01029574-0001

RE: Nelson Education Ltd. CCAA Proceedings

FEE DETAIL

| Date | Timekeeper | Description |
|--------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1/6/15 | Alexander J. Schmitt | Collecting and reviewing all court materials filed to date, together with particular items in data room relating to sale process. Various emails relating to transfer of existing file and documents. |
| 1/6/15 | Orestes Pasparakis | Meetings and reviewing documents. |
| 1/6/15 | Evan Cobb | Reviewing documents in respect of Nelson Education CCAA Application. Introductory meeting with FTI. Reviewing opinions prepared by Davies regarding First Lien and Second Lien security. Meeting with counsel to Nelson Education. |
| 2/6/15 | Alexander J. Schmitt | Continuing to review court file and documentats, as well as data room documentation regarding sale process. |
| 2/6/15 | Orestes Pasparakis | Meeting through the day. Reviewing Sale and Investment Solicitation Process and order. |
| 2/6/15 | Evan Cobb | Calls and meetings with counsel to RBC, counsel to the First Lien Steering Committee, and Alvarez and Marsal. Reviewing A&R Initial Order and draft Affidavit of G. Nordal. Commenting on same. Calls with counsel to Nelson Education on same. Commencing review of SISP documents provided by Alvarez & Marsal. |
| 2/6/15 | Karen Galpern | [REDACTED] |
| 3/6/15 | Orestes Pasparakis | Addressing various issues and emails. Telephone calls and reviewing report. |
| 3/6/15 | Alexander J. Schmitt | Beginning research on [REDACTED] |
| 3/6/15 | Karen Galpern | [REDACTED] |
| 3/6/15 | Evan Cobb | Conference calls regarding form of A&R Initial Order. Reviewing and summarizing board minutes. Reviewing draft of First Report. |

FTI CONSULTING CANADA INC. AS
COURT APPOINTED MONITOR IN THE
CCAA PROCEEDINGS OF NELSON
EDUCATION LTD.

01029574-0001

RE: **Nelson Education Ltd. CCAA Proceedings**

| Date | Timekeeper | Description |
|---------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4/6/15 | Tony Reyes | Office consultation with E. Cobb regarding opinion issues. |
| 4/6/15 | Robin Penslar Levin | [REDACTED] |
| 4/6/15 | Karen Galpern | [REDACTED] |
| 4/6/15 | Alexander J. Schmitt | [REDACTED] |
| 4/6/15 | Evan Cobb | Finalizing and serving First Report of Monitor. Reviewing SISF documents. Reviewing research on [REDACTED] |
| 4/6/15 | Orestes Pasparakis | Telephone calls and emails through the day. |
| 5/6/15 | Evan Cobb | Various email correspondence regarding stay extension motion. Email correspondence regarding Cash Management Charge. Reviewing SISF summary materials provided by Goodmans. |
| 5/6/15 | Robert Corbeil | Served documents to opposing counsel and filed Monitor's Report with the Federal Court for E. Cobb. |
| 7/6/15 | Orestes Pasparakis | Working on court issues. |
| 8/6/15 | Orestes Pasparakis | Attending court and emails regarding status and next steps. |
| 8/6/15 | Evan Cobb | Conference call to finalize A&R Initial Order. Attending at motion regarding A&R Initial Order. |
| 9/6/15 | Alexander J. Schmitt | [REDACTED] |
| 9/6/15 | Orestes Pasparakis | Calls with various stakeholders and client. Reviewing materials and advising client. |
| 9/6/15 | Evan Cobb | Reviewing and commenting on newspaper notice. Various email and telephone correspondence. Conference call with RBC and counsel to RBC. |
| 10/6/15 | Orestes Pasparakis | Follow-up with clients and various stakeholders. |

FTI CONSULTING CANADA INC. AS
COURT APPOINTED MONITOR IN THE
CCAA PROCEEDINGS OF NELSON
EDUCATION LTD.

01029574-0001

RE: Nelson Education Ltd. CCAA Proceedings

| Date | Timekeeper | Description |
|---------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10/6/15 | Evan Cobb | Preparing memorandum on analysis of sale process matters and RBC concerns. |
| 10/6/15 | Alexander J. Schmitt | [REDACTED] |
| 11/6/15 | Orestes Pasparakis | Emails and calls. Reviewing documents. |
| 11/6/15 | Alexander J. Schmitt | [REDACTED] |
| 11/6/15 | Evan Cobb | Reviewing updated disclosures on company website. Considering response to inbound calls from potential purchasers. Finalizing framework memo and circulating to FTI. |
| 12/6/15 | Orestes Pasparakis | Calls with D.J. Miller. Follow-up on issues. |
| 12/6/15 | Alexander J. Schmitt | [REDACTED] |
| 13/6/15 | Alexander J. Schmitt | [REDACTED] |
| 14/6/15 | Alexander J. Schmitt | [REDACTED] |
| 15/6/15 | Orestes Pasparakis | Follow-up on status. |
| 16/6/15 | Evan Cobb | Confirming court availability. |
| 17/6/15 | Orestes Pasparakis | Calls regarding next steps. Drafting emails. |
| 18/6/15 | Evan Cobb | Meetings with FTI and counsel to Nelson. |
| 18/6/15 | Orestes Pasparakis | Meeting with the Monitor and Stakeholders. |
| 18/6/15 | Alexander J. Schmitt | [REDACTED] |
| 19/6/15 | Evan Cobb | Meetings with FTI, RBC and various advisors to RBC regarding sales process and other restructuring matters. |
| 19/6/15 | Orestes Pasparakis | Meeting with stakeholders. Calls with stakeholders. |
| 22/6/15 | Orestes Pasparakis | Preparing for and meeting with clients and all notes. |
| 24/6/15 | Orestes Pasparakis | Calls regarding next steps. |

INVOICE: 1506146

FTI CONSULTING CANADA INC. AS
COURT APPOINTED MONITOR IN THE
CCAA PROCEEDINGS OF NELSON
EDUCATION LTD.

01029574-0001

RE: Nelson Education Ltd. CCAA Proceedings

| Date | Timekeeper | Description | |
|-------------------|--------------------|-------------------------------------------------------------------------------|------------------------|
| 25/6/15 | Orestes Pasparakis | Follow-up with stakeholders. | |
| 26/6/15 | Orestes Pasparakis | Several calls regarding status and next steps. | |
| 28/6/15 | Evan Cobb | Reviewing Shareholder and Registration Rights Agreement. Considering same. | |
| 29/6/15 | Orestes Pasparakis | Preparing for and attending at Court. Numerous emails. | |
| 30/6/15 | Orestes Pasparakis | Follow up with various parties on status. | |
| TOTAL FEES | | | CAD \$88,464.50 |

DISBURSEMENTS - TAXABLE

| | |
|------------------------------------------|---------------------|
| WestlaweCarswell computer assisted legal | 176.33 |
| Copies | 3.00 |
| External DB Search/Quicklaw | 34.64 |
| TOTAL | CAD \$213.97 |

INVOICE

Invoice Number: 1508437
 Date: July 28, 2015

Barristers & Solicitors / Patent & Trade-mark Agents
 Norton Rose Fulbright Canada LLP
 Royal Bank Plaza, South Tower, Suite 3800
 200 Bay Street, P.O. Box 84
 Toronto, Ontario M5J 2Z4 CANADA

FTI CONSULTING CANADA INC. AS COURT
 APPOINTED MONITOR IN THE
 CCAA PROCEEDINGS OF NELSON EDUCATION LTD.
 TD South Tower
 79 Wellington Street West
 Toronto Ontario M5K 1G8
 Attention: Nigel Meakin
 Senior Managing Director

T: +1 416.216.4000
 F: +1 416.216.3930
 nortonrosefulbright.com

Client: FTI CONSULTING CANADA INC. AS COURT APPOINTED
 MONITOR IN THE CCAA PROCEEDINGS OF NELSON
 EDUCATION LTD.

Matter No: 01029574-0001

GST: R111340006

RE: Nelson Education Ltd. CCAA Proceedings

| | | |
|----------------------------------------------------------------------------------------------------|-----|-------------|
| For professional services rendered and disbursements incurred for the period ending July 24, 2015. | | |
| FEES | | 15,242.00 |
| DISBURSEMENTS (Taxable) | | 52.24 |
| DISBURSEMENTS (Non Taxable) | | 0.00 |
| | NET | 15,294.24 |
| HST | | 1,988.25 |
| TOTAL FOR THIS INVOICE IN CANADIAN DOLLARS | | \$17,282.49 |

Please note that interest at the rate of 1.3% per annum may be charged on any invoice that is not paid in full within 30 days from the date on which it was issued.

Payable upon receipt

Banking Information for wire transfer
 RBC Financial Group, Main Branch, Royal Bank Plaza
 Toronto, Ontario, CANADA
 Bank 003, Transit 00002, Acc. No. 106-030-0
 Swift Code # ROYCCAT2
 Include invoice number on transfer order

FTI CONSULTING CANADA INC. AS
 COURT APPOINTED MONITOR IN THE
 CCAA PROCEEDINGS OF NELSON
 EDUCATION LTD.

01029574-0001

RE: Nelson Education Ltd. CCAA Proceedings

FEE DETAIL

| Date | Timekeeper | Description |
|-------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2/7/15 | Evan Cobb | Call with Bennett Jones and Goodmans regarding ancillary Approval and Vesting Order provisions as well as Stockholder and Registration Rights Agreement. |
| 2/7/15 | Orestes Pasparakis | Meeting with lien holders. |
| 4/7/15 | Evan Cobb | Reviewing and commenting on Second Report. Reviewing Asset Purchase Agreement in connection with same. Various email correspondence. |
| 4/7/15 | Orestes Pasparakis | Comments on report. |
| 5/7/15 | Orestes Pasparakis | Revising report. |
| 6/7/15 | Orestes Pasparakis | Reviewing comments. |
| 7/7/15 | Orestes Pasparakis | Reviewing report. |
| 7/7/15 | Evan Cobb | Conference call with Goodmans. Reviewing changes to Monitor's Report. Reviewing Supplemental Support Agreement. |
| 8/7/15 | Evan Cobb | Finalizing Report. Attending to Service of Report. Conference call regarding ancillary relief in Approval and Vesting Order. |
| 8/7/15 | Orestes Pasparakis | Follow-up on various issues. |
| 10/7/15 | Orestes Pasparakis | Follow-up on CCAA issues and stakeholders. |
| 16/7/15 | Orestes Pasparakis | Follow-up on status. |
| 22/7/15 | Orestes Pasparakis | Follow-up on discussions and next steps. Reviewing materials. |
| 23/7/15 | Orestes Pasparakis | Follow-up on developments. Discussion with clients. |
| 23/7/15 | Evan Cobb | Call with K. Mahar. Reviewing materials responding to Sale Approval Motion. |
| 24/7/15 | Evan Cobb | Attending at meeting with Bennett Jones, Goodmans and Thornton Grout Finnigan regarding litigation matters. Emails regarding same. |
| TOTAL FEES | | CAD \$15,242.00 |

INVOICE: 1508437

FTI CONSULTING CANADA INC. AS
COURT APPOINTED MONITOR IN THE
CCAA PROCEEDINGS OF NELSON
EDUCATION LTD.

01029574-0001

RE: Nelson Education Ltd. CCAA Proceedings

DISBURSEMENTS - TAXABLE

| | | |
|----------------------------|--------------|--------------------|
| Copies | | 13.00 |
| Meals-restaurants (Canada) | | 39.24 |
| | TOTAL | CAD \$52.24 |

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
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

Court File No. CV-15-10961-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF ORESTES PASPARAKIS
(sworn August 4, 2015)**

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

Orestes Pasparakis LSUC# 36851T
Tel: (416) 216-4815
Email:
Orestes.Pasparakis@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: (416) 216-1929
Fax: (416) 216-3930

Lawyers for the Monitor,
FTI Consulting Canada Inc.

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
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

Court File No. CV-15-10961-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

THIRD REPORT OF THE MONITOR

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

Orestes Pasparakis LSUC# 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Evan Cobb LSUC #:55787N
Tel: (416) 216-1929
Email: Evan.Cobb@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for FTI Consulting Canada Inc.,
in its capacity as court-appointed Monitor

Tab 3

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

THE HONOURABLE) THURSDAY, THE 13TH DAY
)
MR. JUSTICE NEWBOULD) OF AUGUST, 2015

**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 NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.**

Applicants

**ORDER
(Fees and Activity Approval)**

THIS MOTION, made by FTI Consulting Canada Inc., in its capacity as Monitor (in such capacity, the "**Monitor**") of Nelson Education Ltd. and Nelson Education Holdings Ltd., pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order:

1. approving the First Report of the Monitor, dated June 4, 2015, the Second Report of the Monitor dated July 8, 2015, and the Third Report of the Monitor (the "**Third Report**"), dated August 4, 2015 (collectively, the "**Reports**");
2. approving the activities of the Monitor as described in the Reports; and
3. approving the fees and disbursements of the Monitor, including those of its counsel, Norton Rose Fulbright Canada LLP ("**Norton Rose**"), for the periods set out in the Fee Affidavits (defined below),

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Reports, the affidavit of Nigel D. Meakin sworn August 4, 2015 (the "**Meakin Affidavit**") and the affidavit of Orestes Pasparakis sworn August 4, 2015 (the "**Pasparakis Affidavit**" and, together with the Meakin Affidavit, the "**Fee Affidavits**"), and on hearing the submissions of counsel for the Monitor and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn ●, filed;

MONITOR'S REPORTS AND ACTIVITIES

1. THIS COURT ORDERS that the Reports and the activities of the Monitor, as set out in the Reports, are hereby approved.

FEES AND DISBURSEMENTS

2. THIS COURT ORDERS that the fees and disbursements of the Monitor and of Norton Rose for the periods set out in the Fee Affidavits be and are hereby approved.

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
NELSON EDUCATION LTD. AND NELSON EDUCATION HOLDINGS LTD.

Court File No. CV-15-10961-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(Fees and Activity Approval)**

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Lawyers for the Monitor,
FTI Consulting Canada Inc.

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
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**MOTION RECORD
(Returnable August 13, 2015)**

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