

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

COPIE CERTIFIÉE CONFORMÉ AU
DOCUMENT DÉTENU PAR LA COUR

No.: 500-11-061483-224

CHILAZOLA MANGALA

PERSONNE DÉSIGNÉE PAR LE GREFFIER
EN VERTU DE 67 C.P.C.

DATE: November 1st, 2023

1^{er} Novembre 2023

PRESIDING: THE HONOURABLE CHRISTIAN IMMER, J.S.C.

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

FORMERXBC INC. (FORMERLY XEBEC ADSORPTION INC.)
11941666 CANADA INC. (FORMERLY XEBEC RNG HOLDINGS INC.)
APPLIED COMPRESSION SYSTEMS LTD.
1224933 ONTARIO INC. (FORMERLY COMPRESSED AIR INTERNATIONAL INC.)
FORMERXBC HOLDING USA INC. (FORMERLY XEBEC HOLDING USA INC.)
ENERPHASE INDUSTRIAL SOLUTIONS, INC.
CDA SYSTEMS, LLC
FORMERXBC ADSORPTION USA INC. (FORMERLY XEBEC ADSORPTION USA INC.)
FORMERXBC PENNSYLVANIA COMPANY (FORMERLY THE TITUS COMPANY)
FORMERXBC NOR CORPORATION (FORMERLY NORTEKBELAIR CORPORATION)
FORMERXBC FLOW SERVICES – WISCONSIN INC. (FORMERLY XBC FLOW
SERVICES – WISCONSIN INC.)
CALIFORNIA COMPRESSION, LLC
FORMERXBC SYSTEMS USA, LLC (FORMERLY XEBEC SYSTEMS USA, LLC)
Debtors / Petitioners

and

DELOITTE RESTRUCTURING INC.
Monitor

PLAN FILING AND MEETING ORDER

- [1] **CONSIDERING** that on September 29, 2022, this Court issued the First Day Initial Order ("FDIO") pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") in respect of the Petitioners, notably appointing Deloitte Restructuring Inc. as court-appointed monitor pursuant to the CCAA;
- [2] **CONSIDERING** that, also on September 29, 2022, concurrently with the issuance of the FDIO, this Court issued the Bidding Procedures Order, at which time the Sale and Investment Solicitation Process (the "**SISP**") with respect to the Petitioners and their affiliates was launched and implemented as part of these CCAA proceedings;
- [3] **CONSIDERING** that, in accordance with the Bidding Procedures Order, National Bank Financial ("**NBF**") was mandated to conduct the SISP and to assist the Petitioners, in consultation with the Monitor, at all stages of same;
- [4] **CONSIDERING** that on September 30, 2022, recognition proceedings were initiated in the United States of America pursuant to Chapter 15 of the U.S. Bankruptcy Code, in conformity with the orders issued by the U.S. Court from time to time thereafter;
- [5] **CONSIDERING** that the FDIO was amended from time to time by the issuance of the various Amended and Restated Initial Orders by this Court, including the latest Fifth ARIO issued on March 27, 2023 (the "**Fifth ARIO**");
- [6] **CONSIDERING** that the SISP was conducted by NBF and the Petitioners, in consultation with the Monitor, in accordance with the orders issued by this Court and described in the various Monitor's reports filed with this Court from time to time since the initiation of the CCAA proceedings;
- [7] **CONSIDERING** that following the outcome of the SISP, and of subsequent processes set forth by the Petitioners with the assistance of the Monitor, a total of thirteen transactions involving the assets of various Petitioners were concluded as at the date of this Order;
- [8] **CONSIDERING** the *Application for the Issuance of a Plan Filing and Meeting Order and Ancillary Relief* (the "**Application**") pursuant to the CCAA, of the Petitioners and the affidavit of Mr. Dimitrios Vounassis, filed in support thereof;
- [9] **CONSIDERING** the submissions of counsel present at the hearing on the Application;
- [10] **CONSIDERING** the testimony of the Monitor's representative at the hearing on the Application;
- [11] **CONSIDERING** the role and duty of the Monitor as independent court-appointed officer;
- [12] **GIVEN** the provisions of the CCAA;

THE COURT HEREBY:

[13] **GRANTS** the Application, with further written reasons to follow.

[14] **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:

- (a) Service;
- (b) Definitions;
- (c) Plan Support and Settlement Agreement Approval;
- (d) Plans of Compromise;
- (e) Form of Documents;
- (f) Notification Procedures;
- (g) Creditors' Meeting;
- (h) Notice of Transfers;
- (i) Notices and Communications;
- (j) Sanction Hearing;
- (k) Role of the Monitor;
- (l) Aid and Assistance of Other Courts; and
- (m) General Provisions.

A. SERVICE

[15] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that the Application is properly returnable today and dispenses with further service thereof.

[16] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Petitioners.

B. DEFINITIONS

[17] **DECLARES** that the capitalized terms not otherwise defined in this Order shall have the meanings ascribed in **Schedule A** hereto.

C. PLAN SUPPORT AND SETTLEMENT AGREEMENT APPROVAL

- [18] **ORDERS AND DECLARES** that the Plan Support Agreement is hereby approved, and the execution of the Plan Support Agreement by the Monitor and the Petitioners is hereby authorized and approved *nunc pro tunc*, with such minor alterations, changes, amendments, deletions or additions thereto as may be agreed to by the Petitioners, the Monitor and Export Development Canada ("EDC").
- [19] **AUTHORIZES** the Petitioners, the Monitor and EDC to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Plan Support Agreement and any other ancillary document which could be required or useful to give full and complete effect thereto.
- [20] **ORDERS and DECLARES** that this Order shall constitute the only authorization required by the Petitioners and the Monitor to proceed with the execution of the Plan Support Agreement and the carrying out of their obligations in connection therewith, and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

D. PARTIAL LIFT OF THE STAY

- [21] **LIFTS** the stay of proceedings herein for the sole purpose of authorizing EDC to send a notice of withdrawal of the authorization to collect claims under the Civil Code of Québec to FormerXBC Inc. (formerly Xebec Adsorption Inc.), and register such notices on the Register of Personal and Moveable Real Rights, hence authorizing it to vote on behalf of FormerXBC Inc. (formerly Xebec Adsorption Inc.) in the Plans (as defined in paragraph E.[22] below).

E. PLANS OF COMPROMISE

- [22] **ORDERS** that the Plans of Compromise pursuant to the CCAA filed by Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC), and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the "**Plan Debtors**", each individually, a "**Plan Debtor**") dated October 26, 2023, attached hereto as **Schedules "G", "H", "I", "J", "K", "L", "M", "N", "O", "P", and "Q"** (as they may be amended, supplemented and restated from time to time, each a "**Plan**" and collectively, the "**Plans**") are accepted for filing for the purpose of the Plan Debtors seeking approval of each Plan from the Affected Creditors in the manner set forth herein.

- [23] **ORDERS** that for the purpose of considering and voting on under each Plan, the Affected Creditors shall constitute a single class.
- [24] **ORDERS** that each Plan Debtor, in consultation with the Monitor, is authorized, at any time and from time to time at or before the Creditors' Meeting, to make any amendment, restatement, modification, deletion or supplement to its Plan, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into such Plan.
- [25] **ORDERS** each Plan Debtor to file with the Court and notify to the Service List any amendment, restatement, modification, deletion or supplement referenced in the immediately preceding paragraph as soon as practicable, and give notice to the Affected Creditors of the details of any amendment, restatement, modification, deletion or supplement at the Creditors' Meeting prior to the vote being taken to approve each Plan.
- [26] **ORDERS** that after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), each Plan Debtor is authorized, with the consent of the Monitor, at any time and from time to time vary, amend, restate, modify or supplement its Plan, without the need for obtaining an Order of the Court, providing notice to the Affected Creditors or obtaining consent from the Affected Creditors, if the Monitor determines that such variation, amendment, restatement, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under such Plan or the Sanction Order and is necessary in order to give effect to the substance of such Plan or the Sanction Order.

F. **FORM OF DOCUMENTS**

- [27] **APPROVES** each of the forms of: (i) the Creditor Letter, (ii) the Notice of Creditors' Meeting and Sanction Hearing, (iii) the Proxy and Voting Form, (iv) the Registration Form, and (v) the Form of Resolution, and **AUTHORIZES** the Monitor, in consultation with the Plan Debtors, to make such minor changes to such forms of documents as it considers necessary or desirable, notably to conform the content thereof to the terms of each Plan or this Order or any further Orders of the Court.

G. **NOTIFICATION PROCEDURES**

- [28] **ORDERS** that the Monitor shall prepare, for each of the Plan Debtor, a package containing a copy of (i) this Order, (ii) the Creditor Letter, (iii) the Notice of Creditors' Meeting and Sanction Hearing, (iv) the Proxy and Voting Form, (v) the Registration Form, (vi) the Form of Resolution, and (vii) the Plan (all packages for each of the Plan Debtor collectively, with the Report of the Monitor to be filed in connection with the Plan, the "**Meeting Materials**"), and, for each of the Plan Debtor, cause same to be sent, by regular mail, courier or e-mail, in English and in French, as soon as reasonably practicable after the granting of this Order and, in any event, no later than 5:00 p.m. (Montréal time) on November 18, 2023 to each Affected Creditor as of the date of this Order at the address for such Affected

Creditor set out in such Affected Creditor's Proof of Claim or to such other address that has been provided to the Monitor by such Affected Creditor pursuant to Paragraph [52] or [55]. For greater certainty, Affected Creditors shall only receive the Meeting Materials in respect of the Plan Debtor relevant to each Affected Creditor's Voting Claim.

[29] **ORDERS** that the Monitor shall:

- (a) Forthwith publish on the Website an electronic copy of the Meeting Materials;
- (b) Email or cause to be emailed a copy of the Meeting Materials to the Service List; and
- (c) Provide a copy of the Meeting Materials to any Affected Creditor upon written request by such Affected Creditor, provided that such written request is received by the Monitor no later than three (3) Business Days prior to the Creditors' Meeting (or any adjournment thereof).

[30] **ORDERS** that on or before November 9, 2023, the Monitor shall cause the Notice of Creditors' Meeting and Sanction Hearing to be published in the Globe and Mail (National Edition), La Presse + and USA Today (National Edition).

[31] **ORDERS** that, each Plan Debtor and the Monitor are hereby authorized to provide such supplemental information ("**Additional Information**") to the Meeting Materials as the Plan Debtor may determine, with the consent of the Monitor, and such Additional Information shall be distributed or made available by posting on the Website and served on the Service List, and any such other method of delivery that the Plan Debtor, with the consent of the Monitor, determine is appropriate.

[32] **ORDERS** that the publications and/or delivery referred to in Paragraphs [28], [29], [30] and [31] hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings.

[33] **ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor shall not constitute a breach of this Order and the non-receipt shall not invalidate any resolution passed or proceedings taken at the Creditors' Meeting.

H. **CREDITORS' MEETING**

[34] **ORDERS** that the Monitor is hereby authorized to call, hold and conduct, for each Plan Debtor, the Creditors' Meeting on November 30, 2023, by videoconference or teleconference, for the purpose of considering and, if appropriate, approving the Plan, and voting upon, with or without variation, the resolutions substantially in the

form of the Form of Resolution, at a place, date and time to be determined by the Monitor and as shall be set forth in the Notice of Creditors' Meeting and Sanction Hearing.

[35] **ORDERS** that the only Persons entitled to attend the Creditors' Meeting are:

- (a) Affected Creditors, their legal representatives and their proxy holders, provided that in each case, such Person has completed and submitted by email the required Registration Form by the Proxy Deadline (as defined below);
- (b) representatives of the Petitioners, members of the board of directors of the Petitioners and their representatives, representatives of the Monitor, the Chair and their respective legal and financial advisors; and
- (c) any other Person admitted to the Creditors' Meeting on invitation of the Petitioners or the Monitor.

[36] **ORDERS** that any proxy which any Affected Creditor wishes to submit in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached hereto as **Schedule D** (or in such other form acceptable to the Monitor or the Chair).

[37] **ORDERS** that any Proxy and Voting Form in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be received by the Monitor in accordance with Paragraph [55] hereof by 5:00 p.m. (Montréal time) on November 28, 2023 (the "**Proxy Deadline**"), being two (2) Business Days prior to the date set for the Creditors' Meeting in Paragraph [34] hereof. The Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which a Proxy and Voting Form is completed.

[38] **ORDERS** that, in the absence of instruction to vote for or against the approval of a resolution (substantially in the form of the Form of Resolution) in a duly signed and returned Proxy and Voting Form that appoints a representative of the Monitor as proxy holder, the Proxy and Voting Form shall be deemed to include instructions to vote for the approval of the resolution (substantially in the form of the Form of Resolution) to approve the related Plan, provided the proxy holder does not otherwise revoke the Proxy and Voting Form by written notice to the Monitor delivered so that it is received by the Monitor no later than the Proxy Deadline.

[39] **ORDERS** that the quorum required at the Creditors' Meeting shall be one Affected Creditor having a Voting Claim present at such meeting in person or by proxy for each of the Plans. If the requisite quorum is not present at the Creditors' Meeting, then the Creditors' Meeting in respect of the relevant Plan shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable.

[40] **ORDERS** that the Chair, with the consent of the Plan Debtor, not to be unreasonably withheld, is authorized to adjourn, postpone or otherwise reschedule

the Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair, with the consent of the Plan Debtor, deem necessary or desirable (without the need to first convene any such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Plan Debtor, the Chair or the Monitor shall be required to deliver any notice of the adjournment, postponement or rescheduling of the Creditors' Meeting or adjourned Creditors' Meeting, as applicable, provided that the Monitor shall:

- (a) announce the adjournment, postponement or rescheduling of the Creditors' Meeting or adjourned Creditors' Meeting to the participants, if the commencement of the Creditors' Meeting has occurred prior to the adjournment, postponement or rescheduling;
- (b) forthwith post notice of the adjournment, postponement or rescheduling on the Website; and
- (c) forthwith provide notice of the adjournment, postponement or rescheduling to the Service List.

[41] **ORDERS** that by a simple vote of a majority in number of the Voting Claims of Persons present and entitled to vote at the Creditors' Meeting or by proxy, the Creditors' Meeting may be adjourned or re-adjourned to a subsequent date, time and place as determined by such vote and in such case no further notice will be necessary. Any Proxy and Voting Form validly delivered in connection with the Creditors' Meeting shall be accepted as Proxy and Voting Form in respect of any adjourned, postponed or rescheduled Meeting.

[42] **ORDERS** that the only Persons entitled to vote on the Plan at the Creditors' Meeting shall be Creditors with a Voting Claim, pursuant to such Plan, and their proxy holders. Each Creditor with a Voting Claim will be entitled to a number of votes equal to the value in dollars of its Voting Claim regarding such Plan.

[43] **ORDERS** that Creditors with a Voting Claim wishing to cast their vote at the Creditors' Meeting shall do so by way of a show of hands, e-mail message, Teams message or by any other means, as determined by the Monitor in its sole discretion.

[44] **ORDERS** that Affected Creditors with Proven Claims who are Convenience Creditors shall be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting.

[45] **ORDERS** that all Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting.

[46] **ORDERS** that solely for the purpose of voting at the Creditors' Meeting, (a) a Plan Debtor shall be deemed to assign its votes attached to the Intercompany Claims to the Affected Creditors as a whole; (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-François Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Affected Creditors of the Plan Debtor at the Creditors' Meeting, to vote the Intercompany Claims in favour of the Plan(s) of such other Petitioner(s); and (c) solely in respect of the

Intercompany Claims, to vote at his discretion and otherwise act for and on behalf of the Affected Creditors of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such Creditors' Meeting and in such Plan, and with respect to other matters that may properly presented at such Creditors' Meeting; the whole under reserve of the right of any Affected Creditor to make representations in relation to the matters set forth in the present paragraph at the Sanction Hearing.

- [47] **ORDERS** that a Voting Claim shall not include fractional numbers and shall be rounded down to the nearest whole Canadian dollar amount.
- [48] **ORDERS** that the Monitor shall keep a separate record of the votes cast by Creditors with Voting Claims determined by the Monitor for voting purposes only in accordance with Paragraph 19 of the Claims Procedure Order and shall report to the Court with respect thereto at the Sanction Application.
- [49] **ORDERS** that the results of any vote on a Plan conducted at the Creditors' Meeting shall be binding on all Creditors concerned by such Plan, whether or not any such Creditor is present or voting at the Creditors' Meeting.
- [50] **ORDERS** that a representative of the Monitor shall preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to any further order of this Court, shall decide all matters relating to the conduct of such Creditors' Meeting. The Plan Debtor and any Creditor with a Voting Claim in regard to a specific Plan may appeal from any decision of the Chair to the Court, within three (3) Business Days of any such decision.
- [51] **DECLARES** that, at the Creditors' Meeting, the Chair is authorized to direct a vote on the resolutions substantially in the form of the Form of Resolution to approve the Plan, and any amendments thereto made in accordance with Paragraph [24] of this Order.
- [52] **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting and that a Person designated by the Monitor shall act as secretary at the Creditors' Meeting.

I. NOTICE OF TRANSFERS

- [53] **ORDERS** that, for purposes of voting at the Creditors' Meeting, if a Creditor who has a Voting Claim transfers or assigns all of its Voting Claim and the transferee or assignee delivers evidence satisfactory to the Monitor of its ownership of all of such Voting Claim and a written request to the Monitor, not later than 5:00 pm on the date that is seven (7) days prior to the date of the Creditors' Meeting, or such later time that the Monitor may agree to, that such transferee's or assignee's name be included on the list of Creditors entitled to vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu of the transferor or assignor.
- [54] **ORDERS** that, for purposes of distributions to be effected pursuant to each Plan, if a Creditor transfers or assigns the whole of its Voting Claim to another Person,

neither the Plan Debtor, nor the Monitor shall be obligated to deal with the transferee or assignee of the Voting Claim as the Creditor in respect thereof unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with satisfactory evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least five (5) Business Days prior to any distribution under each Plan.

- [55] **ORDERS** that if the holder of a Voting Claim or any subsequent holder of the whole of a Voting Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Voting Claim or Voting Claims and such Claim shall continue to constitute and be dealt with as a single Voting Claim notwithstanding such transfer or assignment, and the Monitor and the Plan Debtors shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim as a whole shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order.

J. NOTICES AND COMMUNICATIONS

- [56] **ORDERS** that any notice or other communication to be given under this Order by an Affected Creditor to the Monitor or the Plan Debtors shall be in writing and will be sufficiently given only if given by courier or email communication addressed to:

Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7
Attention: Jean-François Nadon,
Julie Mortreux and
Frédéric Turbide
Email: jnadon@deloitte.ca,
jmortreux@deloitte.ca and
fturbide@deloitte.ca

With a copy to:

McCarthy Tétrault LLP
1000 De La Gauchetière Street West
Suite MZ400
Montréal, QC, H3B 0A2
Attention: Mtre Jocelyn T. Perreault,
Mtre Gabriel Faure and
Mtre Marc-Étienne Boucher
Email: jperreault@mccarthy.ca,

gfaure@mccarthy.ca and
meboucher@mccarthy.ca

Petitioners and Plan Osler, Hoskin, Harcourt LLP

Debtors: 1000 De La Gauchetière Street West
Suite 2100
Montréal, Québec H3B 4W5
Attention: Mtre Sandra Abitan,
Mtre Julien Morissette,
Mtre Ilia Kravtsov and
Mtre Sophie Courville-Le Bouyonnec
Email: sabitan@osler.com,
jmorissette@osler.com,
ikravtsov@osler.com and
scourville@osler.com

- [57] **ORDERS** that any document sent by the Monitor pursuant to this Order may be sent by regular mail, registered mail, courier, email or other means of electronic communication. A Creditor shall be deemed to have received any document sent pursuant to this Order three (3) Business Days after the document is sent by regular mail or registered mail and one (1) Business Day after the document is sent by courier, email or other means of electronic communication. Documents shall not be sent by regular or registered mail during a postal strike or work stoppage of general application.

K. SANCTION HEARING

- [58] **ORDERS** that the Monitor shall provide a report to the Court as soon as practicable after the Creditors' Meeting (the "**Monitor's Report Regarding the Creditors' Meeting**") with respect to:

- (a) the results of voting for each Plan at the Creditors' Meeting;
- (b) whether the Required Majority has approved each Plan;
- (c) the separate tabulation required by Paragraph [47] hereof, if applicable; and
- (d) in its discretion, any other matter relating to the Petitioners' application(s) seeking sanction of each Plan.

- [59] **ORDERS** that in the event a Plan has been approved by the Required Majority of the Affected Creditors, the Petitioners may seek the sanction of such Plan before this Court on or about December 8, 2023 (the "**Sanction Application**").

- [60] **SCHEDULES** the hearing on the Sanction Application (the "**Sanction Hearing**") to take place on December 15, 2023, at a time to be determined by the Court and communicated to the Service List.

- [61] **ORDERS** that the Sanction Hearing may take place at such later date as the Monitor may advise or cause to be advised the Service List in these proceedings, provided that such later date shall be acceptable to the Court, the Petitioners and the Monitor.
- [62] **ORDERS** that an electronic copy of the Monitor's Report Regarding the Creditors' Meeting, the Plans, and a copy of the materials filed in respect of the Sanction Application shall be posted on the Website prior to the Sanction Hearing.
- [63] **ORDERS** that service of this Order by the Petitioners to the parties on the Service List and the delivery of the Meeting Materials in accordance with Paragraph [28] hereof and the posting of the Meeting Materials on the Website in accordance with Paragraph [29] hereof shall constitute good and sufficient service and notice of the Sanction Application.
- [64] **ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons appearing on the Service List as of the date of service shall be served with notice of the adjourned date.
- [65] **ORDERS** that any Person who wishes to oppose the Sanction Application shall serve upon the parties on the Service List, and file with the Court a copy of the materials to be used to oppose the Sanction Application by no later than 5:00 p.m. (Montréal time) on December 12, 2023 or, if applicable, three (3) days' prior to any adjourned or rescheduled Sanction Hearing.

L. ROLE OF THE MONITOR

- [66] **ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, the Fifth ARIO and the Claims Procedure Order, is directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.
- [67] **ORDERS** that:
- (a) In carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order, and any other Order granted in these CCAA Proceedings and as an officer of the Court, including the stay of proceedings in its favour;
 - (b) The Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part;
 - (c) The Monitor shall be entitled to rely on the books and records of the Petitioners and any information provided by the Petitioners, and any information acquired by the Monitor as a result of carrying out its duties under this Order without independent investigation, and the Monitor shall

not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

M. AID AND ASSISTANCE OF OTHER COURTS

- [68] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America, including without limitation the U.S. Court, and any court or administrative body elsewhere, to give effect to this Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Petitioners and the Monitor as may be necessary or desirable to give effect to this Order in any foreign proceeding, to assist the Petitioners and the Monitor and their respective agents in carrying out this Order.

N. GENERAL PROVISIONS

- [69] **ORDERS** that the following Schedules form part of this Order:

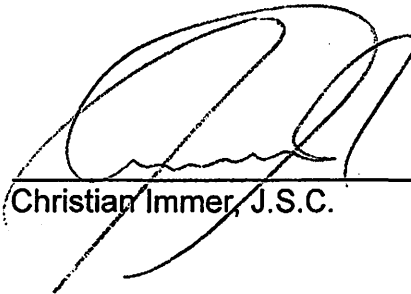
- (a) Schedule A – Definitions;
- (b) Schedule B – Creditor Letter;
- (c) Schedule C – Notice of Creditors' Meeting and Sanction Hearing;
- (d) Schedule D – Proxy and Voting Form;
- (e) Schedule E – Registration Form;
- (f) Schedule F – Form of Resolution; and
- (g) Schedules G to Q – Plans.

- [70] **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents.

- [71] **ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of any Plan and this Order, the terms of this Order shall govern and be paramount, and any such provision of the Plan shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

- [72] **ORDERS** that references in this Order to the singular include the plural, to the plural include the singular.
- [73] **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order.
- [74] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.

THE WHOLE WITHOUT LEGAL COSTS.



Christian Immer, J.S.C.

MTRE SANDRA ABITAN
MTRE JULIEN MORISSETTE
MTRE ILIA KRAVTSOV
MTRE SOPHIE COURVILLE-LE BOUYONNEC
(OSLER HOSKIN & HARCOURT LLP)
COUNSEL TO THE PETITIONERS

Hearing date: October 31, 2023

SCHEDULE "A" – DEFINITIONS

"ACS" means Applied Compression Systems Ltd.;

"Additional Information" has the meaning ascribed thereto in Paragraph [30] of this Order;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023 to the date of the implementation of the Plans, in connection with the implementation of the Plans and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" means (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements the sale proceeds held

in trust by the Monitor, as set out in the Proposed Allocation Method Report dated June 16, 2023;

"Allocation Method" means the Monitor's proposed method of allocation to allocate the Allocated Net Proceeds, as set out in the Proposed Allocation Method Report dated June 16, 2023 and as approved by the Allocation Order;

"Allocation Order" means the Order to Approve a Proposed Allocation Plan issued by the Court on June 29, 2023, *inter alia* approving the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly, Xebec Adsorption Inc.);

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in each Plan;

"Certificate of Non-Implementation" has the meaning set forth in each Plan;

"Charitable Threshold" has the meaning ascribed thereto in each Plan;

"Chair" has the meaning ascribed thereto in Paragraph [49] of this Order;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" means the Superior Court of Québec, sitting in the Commercial Division, in the judicial district of Montréal;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditor Letter" means, for each Plan Debtor, the letter to Affected Creditors, substantially in the form of **Schedule B** hereto;

"Creditors' Meeting" means, for each Plan Debtor, the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by this Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"EDC" means Export Development Canada;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and the XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAL, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Form of Resolution" means, for each Plan Debtor, the form of creditor resolution, substantially in the form of **Schedule F** hereto;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" means the Order issued by the Court in the CCAA Proceedings on September 29, 2022;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Materials" has the meaning ascribed thereto in Paragraph [28] of this Order;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Petitioners and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"Monitor's Report Regarding the Creditors' Meeting" has the meaning ascribed thereto in Paragraph [57] of this Order;

"NOR" means FormerXBC NOR Corporation (formerly, Nortekbelair Corporation);

"Notice of Creditors' Meeting and Sanction Hearing" means, for each Plan Debtor, the notice which shall be given to the Affected Creditors of the Creditors' Meeting to be held for the approval of the Plan, and of the Sanction Hearing of the Plan, being substantially in the form of **Schedule C** hereto;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" means BLA GNR, ACS, CAI, XHU, AIR, CAL, CDA, XSU, TIT, NOR, UEC and XBC;

"Plans", or each individually, a **"Plan"**, has the meaning ascribed thereto in Paragraph [22] of this Order;

"Plan Debtors", or each individually, a **"Plan Debtor"**, has the meaning ascribed thereto in Paragraph [22] of this Order;

"Plan Implementation Conditions" has the meaning set forth in each Plan;

"Plan Implementation Date" means, for each Plan, the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, this Order and the Plan;

"Proxy and Voting Form" means, for each Plan Debtor, a proxy and instructions to Affected Creditors for explaining how to complete same, substantially in the form of **Schedule D** hereto;

"Proxy Deadline" has the meaning ascribed thereto in Paragraph [40] of this Order;

"Registration Form" means a form required to be completed by Affected Creditors in order to attend the Creditors' Meeting, substantially in the form of **Schedule E** hereto;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and this Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Sanction Application" has the meaning ascribed thereto in Paragraph [58] of this Order;

"Sanction Hearing" has the meaning ascribed thereto in Paragraph [59] of this Order;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Service List" means the service list in the CCAA Proceedings;

"Plan Support Agreement" means the Plan Support and Settlement Agreement dated October 26, 2023, between the Petitioners and EDC, to which the Monitor intervened, a copy of which was filed as Exhibit P-3 to the Application;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in each Plan;

"Undelivered Distribution Notification" has the meaning set forth in each Plan;

"U.S. Bankruptcy Code" means Chapter 15, Title 11 of the United States Code;

"U.S. Case" means the voluntary case under Chapter 15 of the U.S. Bankruptcy Code, captioned re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al., pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" means the United States Bankruptcy Court for the District of Delaware;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in each Plan;

"Voting Claim" means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes entitled such Affected Creditor to vote at the Creditors' Meeting in accordance with the provisions of the Claims Procedure Order, each Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly, XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

SCHEDULE "B" – CREDITOR LETTER

[XEBEC LETTERHEAD]

Montréal, November 9, 2023

TO: Creditors of [relevant Plan Debtor] (the "Company" or "we")

Dear Sir/Madam:

Proposed Plan of Compromise

As you are aware, on September 29, 2022, the Company filed for protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and Deloitte Restructuring Inc. (the "Monitor") was appointed as Court-appointed monitor.

Since the beginning of our CCAA proceedings, we have worked tirelessly, with the assistance of our advisors and under supervision of the Court, to implement an orderly liquidation of the Company's assets for the benefit of all stakeholders, including through Court-approved transactions, and negotiations with our secured creditors.

Further to these efforts, with the assistance and support of the Monitor, the Company developed the enclosed Plan of Compromise.

The Company is pleased to present the Plan to its creditors. If approved by the creditors and sanctioned by the Court, the Plan will:

- provide for the distribution to the affected creditors, including notably the first CAD \$2,000 of each proven unsecured claim;
- effect a compromise, settlement and payment of proven claims in an efficient and cost-effective fashion; and
- resolve our CCAA proceedings with certainty and finality.

We firmly believe that the recoveries contemplated under the Plan are greater than the recoveries creditors would receive in a bankruptcy.

The meeting of creditors to consider and vote on the Plan will be held virtually on November 30, 2023 at 1:00 p.m. (Montreal time), as more fully set forth in the Notice of Creditors' Meeting and Sanction Hearing enclosed herewith. If the creditors approve the Plan at the Creditors' Meeting, we expect to apply to the Court on or about December 8, 2023, for an order sanctioning the Plan. The application to sanction the Plan will be heard on or around December 15, 2023. If the order is granted by the Court, the Monitor shall proceed with the distribution to the creditors as soon as possible, in early 2024.

We urge you to review the Plan and the Monitor's report in connection therewith, which provides relevant and important details in relation to anticipated distributions should the Plan be approved.

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You will also note that the Monitor recommends that creditors vote in favour of the Plan. Please note that the deadline to provide your voting proxies to the Monitor is November 28, 2023 at 5 p.m. (Montréal time).

Additional information is available on the website that is maintained by the Monitor in respect of these CCAA proceedings at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>.

We thank you for your continued support, cooperation and confidence through our restructuring process. We hope that you will vote in favour of the Plan.

Yours very truly,

[Relevant Plan Debtor]

Per: Dimitrios Vounassis - President and Chief Executive Officer of FormerXBC Inc.
(formerly Xebec Adsorption Inc.)

SCHEDULE "C" – NOTICE OF CREDITORS' MEETING

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

500-11-061483-224

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Deloitte Restructuring Inc.

La Tour Deloitte

500 - 1190 Av. des Canadiens-de-Montréal

Montréal, QC H3B 0M7

E-mail: xebec_ccaa@deloitte.ca

FORMERXBC FLOW SERVICES – WISCONSIN INC. (formerly **XBC FLOW SERVICES – WISCONSIN INC.**)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly **XEBEC SYSTEMS USA, LLC**)

Debtors / Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**NOTICE TO THE CREDITORS OF [RELEVANT PLAN DEBTOR]
OF
THE MEETING OF CREDITORS AND THE SANCTION HEARING**

TAKE NOTICE THAT [Relevant Plan Debtor] has filed a Plan of compromise (the "**Plan**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"), with Deloitte Restructuring Inc. as the Monitor.

Capitalized terms used and not otherwise defined in this Notice have the meaning ascribed to them in the Plan and in the Plan Filing and Meeting Order issued by the Superior Court of Québec (Commercial Division) (the "**CCAA Court**") on October 31, 2023 (the "**Meeting Order**").

TAKE FURTHER NOTICE THAT a general meeting of the creditors for the purpose of considering and approving the Plan **will be held on the 30th day of November 2023, at 1:00 p.m.** (Montréal time) (the "**Creditors' Meeting**"). The Creditors' Meeting will be held by videoconference.

We ask that **creditors who wish to attend the Creditors' Meeting complete the attached registration form** and return it by email to the following email address: xebec_ccaa@deloitte.ca, no later than 5:00 p.m. (Montréal time) on November 28, 2023.

For creditors, or their representatives who have registered, you will receive a link by email, which will allow you to attend the Creditors' Meeting. Please note that only those who have registered will be able to attend the Creditors' Meeting.

The purpose of the Creditors' Meeting is to:

- a) consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Resolution**") approving the Plan; and

- b) transact such other business as may properly come before the Creditors' Meeting or any adjournment or postponement thereof.

The Creditors' Meeting is being held pursuant to the Meeting Order of the CCAA Court, which establishes the procedures for Deloitte Restructuring Inc. (in such capacity and not in its personal or corporate capacity, the "**Monitor**") to call, hold and conduct the Creditors' Meeting.

The Plan provides for the compromise of the related Affected Claims. The quorum for the Creditors' Meeting will be one Affected Creditor holding a Voting Claim (each such creditor, an "**Eligible Voting Creditor**") present in person or by proxy.

In order for the Plan to be approved and binding in accordance with the CCAA, the Resolution must be approved by a majority in number of Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting (the "**Required Majority**").

All Eligible Voting Creditors are entitled to vote on the Plan. The votes cast by Creditors with Voting Claims as determined by the Monitor for voting purposes only in accordance with the Claims Procedure Order will be separately tabulated by the Monitor. Holders of an Unaffected Claim will not be entitled to attend and vote at the Creditors' Meeting.

Forms and Proxies for Affected Unsecured Creditors

Any Eligible Voting Creditor who is unable to attend the Creditors' Meeting may appoint a proxy to vote on its behalf. A form of Proxy is included as part of the Meeting Materials being distributed by the Monitor to each Affected Creditor.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Montréal time) on November 28, 2023.

Notice of Sanction Hearing

TAKE FURTHER NOTICE THAT that if the Plan is approved by the Required Majority of Affected Creditors at the Creditors' Meeting, **the Petitioners intend to bring before the CCAA Court on or around December 8, 2023** an application to sanction the Plan (the "**Sanction Application**") **to be heard on December 15, 2023** (the "**Sanction Hearing**"). Time and the coordinates of the hearing will be posted on the Monitor's website and communicated to the Service List.

The Sanction Application will be seeking the granting of the Sanction Order sanctioning the Plan under the CCAA and for ancillary relief consequent upon such sanction. Any person wishing to oppose the Sanction Application for the Sanction Order must serve upon the parties on the Service List as posted on the Monitor's Website and file with the CCAA Court, a copy of the materials to be used to oppose the Sanction Order by no later than **December 12, 2023 at 5:00 P.M. (Montréal Time)**, or, if applicable, three (3) calendar days prior to any adjourned or rescheduled Sanction Hearing.

This Notice is given by the Petitioners pursuant to the Meeting Order. Additional copies of the Meeting Materials, including the Plan and the Monitor's report thereon may be obtained from the

Monitor's Website (<https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>), or by requesting one from the Monitor by email at xebec_ccaa@deloitte.ca.

Dated at Montreal, this 9th day of November, 2023

Deloitte Restructuring Inc.
Court-appointed Monitor

SCHEDULE "D" – PROXY AND VOTING FORM

Deloitte Restructuring Inc.
La Tour Deloitte
500 - 1190 Av. des Canadiens-
de-Montréal
Montréal, QC H3B 0M7
E-mail: xebec_ccaa@deloitte.ca

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC. (formerly **XBC FLOW SERVICES – WISCONSIN INC.**)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly **XEBEC SYSTEMS USA, LLC**)

Debtors / Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PROXY FORM

Before completing this Proxy, please read the accompanying instructions carefully for the proper completion and return of the form.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise of [relevant Plan Petitioner] dated October 26, 2023 (as may be further amended, supplemented and/or restated from time to time, the "Plan") accepted for filing pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Quebec Superior Court (the "CCAA Court") on October 31, 2023.

In accordance with the Plan, Proxies may only be filed by Affected Creditors having a Voting Claim (each an "Eligible Voting Creditors" and collectively, the "Eligible Voting Creditors").

PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY NO LATER THAN 5:00 P.M. (MONTREAL TIME) ON NOVEMBER 26, 2023 (THE "PROXY DEADLINE").

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given, if any, and nominates, constitutes, and appoints Mr. Jean-François Nadon, of Deloitte Restructuring Inc., in its capacity as Monitor, or such Person as he, in his sole discretion, may designate or, instead of the foregoing, appoints:

Print name of proxy holder if wishing to appoint someone other than Mr. Jean-François Nadon

to attend on behalf of and act for the Eligible Voting Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of the Creditors' Meeting, and to vote the dollar value of the Voting Claim as determined by and accepted for voting purposes in accordance with the Meeting Order and as set out in the Plan as follows:

A. (mark one only):

☐ Vote **FOR** approval of the resolution to accept the Plan; or

☐ Vote **AGAINST** approval of the resolution to accept the Plan.

If a box is not marked as a vote for or against approval of the Plan and Mr. Jean-François Nadon or his designate is appointed as proxy holder, this Proxy shall be voted for approval of the Plan.

- and -

B. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments or variations to the matters identified in the Notice of Creditors' Meeting and Sanction Hearing, and in the Plan, and with respect to other matters that may properly be presented at the Creditors' Meeting.

DATED AT _____, this _____ day of _____ 2023.

(Name of Eligible Voting Creditor)

Signature of authorized person
(indicate title or function, if any)

Signature of witness

(Please print name)

(Please print name)

INSTRUCTIONS FOR COMPLETION OF PROXY

1. This Proxy should be read in conjunction with the Plan of Compromise of **[relevant Plan Petitioner]** dated October 26, 2023 (as may be further amended, supplemented and/or restated from time to time, the "Plan") accepted for filing pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") with the Quebec Superior Court (the "CCAA Court") on October 31, 2023 and the Meeting Order. Capitalized terms used herein not otherwise defined shall have the meanings ascribed to them in the Plan.
2. Each Eligible Voting Creditor has the right to appoint a person (who need not be a Creditor) (a "Proxy holder") to attend, act and vote for and on behalf of such Eligible Voting Creditor and such right may be exercised by inserting the name of the Proxy holder in the blank space provided on the Proxy.
3. If no name has been inserted in the space provided to designate the Proxy holder on the Proxy, the Eligible Voting Creditor will be deemed to have appointed Mr. Jean-François Nadon of Deloitte Restructuring Inc., in its capacity as Monitor (or such other Person as he, in his sole discretion, may designate), as the Eligible Voting Creditor's Proxy holder.
4. An Eligible Voting Creditor who has given a Proxy may revoke it by an instrument in writing executed by such Eligible Voting Creditor or by its attorney, duly authorized in writing or, if an Eligible Voting Creditor is not an individual, by an officer or attorney thereof duly authorized, and deposited with the Monitor in each case before the Proxy Deadline.
5. If this Proxy is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Monitor.
6. A valid Proxy from the same Eligible Voting Creditor bearing or deemed to bear a later date than this Proxy will be deemed to revoke this Proxy. If more than one valid Proxy from the same Eligible Voting Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such Proxies shall not be counted for the purposes of the vote.
7. This Proxy confers discretionary authority upon the Proxy holder with respect to amendments or variations to the matters identified in the Notice of Creditors' Meeting and in the Plans, and with respect to other matters that may properly come before the Creditors' Meeting.
8. The Proxy holder shall vote the Eligible Voting Claim of the Eligible Voting Creditor in accordance with the direction of the Eligible Voting Creditor appointing him/her on any ballot that may be called for at the Creditors' Meeting. **IF AN ELIGIBLE VOTING CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN, AND MR. JEAN-FRANÇOIS NADON OR HIS DESIGNATE IS APPOINTED AS PROXY HOLDER, THIS PROXY WILL BE VOTED FOR THE RESOLUTION TO APPROVE THE PLAN, INCLUDING ANY AMENDMENTS, VARIATIONS OR**

SUPPLEMENTS THERETO. IF AN ELIGIBLE VOTING CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN AND APPOINTS A PROXY HOLDER OTHER THAN MR. JEAN-FRANÇOIS NADON OR HIS DESIGNATE, THE PROXY HOLDER MAY VOTE ON THE RESOLUTION AS HE OR SHE DETERMINES AT THE CREDITORS' MEETING.

9. If the Eligible Voting Creditor is an individual, this Proxy must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor's behalf. If the Eligible Voting Creditor is a corporation, partnership or trust, this proxy must be signed by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust or on behalf of another individual at the Creditors' Meeting, you must have been appointed as a proxy holder by a duly completed proxy submitted to the Monitor by the Proxy Deadline. You may be required to provide documentation evidencing your power and authority to sign this Proxy.
10. **PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF THEY CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY NO LATER THAN 5:00 P.M. (MONTRÉAL TIME) ON NOVEMBER 28, 2023 (THE "PROXY DEADLINE").**

By email: xebec_ccaa@deloitte.ca
11. By mail or courier: **DELOITTE RESTRUCTURING INC.**
La Tour Deloitte
500-1190 Av. des Canadiens-de-Montréal
Montréal QC H3B 0M7
12. The Petitioners and the Monitor are authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proxy is completed and executed, and may waive strict compliance with such requirements.

SCHEDULE "E" – REGISTRATION FORM

Deloitte Restructuring Inc.
La Tour Deloitte
500 - 1190 Av. des Canadiens-
de-Montréal
Montréal, QC H3B 0M7
E-mail: xebec_ccaa@deloitte.ca

REGISTRATION FORM TO THE CREDITORS' MEETING

In the Matter of the Plan of Compromise of: FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.)

Name of the creditor : -

Name of the creditor's representative, if applicable : -

Email address : -

Phone Number : -

Signature : -

Please note that to attend the Creditors' Meeting, you must send this form to the Monitor, Restructuration Deloitte Inc., by email to the following address: xebec_ccaa@deloitte.ca, no later than 5:00 p.m. (Montréal time) on November 28, 2023.

SCHEDULE "F" – FORM OF RESOLUTION

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Debtors / Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**RESOLUTION OF AFFECTED CREDITORS OF [RELEVANT PLAN DEBTOR] AT
THE CREDITORS' MEETING**

BE IT RESOLVED THAT:

1. The Plan of Compromise dated October 26, 2023 filed by **[relevant Plan Debtor]** under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as may be further amended, restated or supplemented from time to time in accordance with its terms (the "**Plan**"), which Plan has been presented to this Creditors' Meeting, be and is hereby accepted, approved and authorized;
2. Any director or officer of **[relevant Plan Debtor]** be and is hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of the **[relevant Plan Debtor]**, to execute and deliver, or cause to be executed and delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such directors or officers of such documents, agreements or instruments or the doing of any such act or thing.
3. Notwithstanding that this Resolution has been passed and the Plan has been approved by the Affected Creditors and the Court, the directors of **[relevant Plan Debtor]** be and are hereby authorized and empowered to amend the Plan or not proceed to implement the Plan subject to and in accordance with the terms thereof.

SCHEDULE G – Plan of Compromise of Applied Compression Systems Ltd.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly **XEBEC
HOLDING USA INC.**)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF APPLIED COMPRESSION SYSTEMS LTD.

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, Applied Compression Systems Ltd. (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any

interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAL, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, resiliation, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting,

directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory

authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the **"Unsecured Creditors' Class"**.

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.

- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.

- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and

all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;

- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission

in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitano@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /

fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way

be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted

assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requéranes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC.** (formerly XBC FLOW SERVICES – WISCONSIN)

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of Applied Compression Systems Ltd. pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of Applied Compression Systems Ltd. (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of Applied
Compression Systems Ltd. and not in its
personal or corporate capacity.

Per:

Name:

Title:

SCHEDULE H – Plan of Compromise of Enerphase Industrial Solutions, Inc.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
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-and-

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-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF ENERPHASE INDUSTRIAL SOLUTIONS, INC.

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, Enerphase Industrial Solutions, Inc. (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at

\$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any the amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- ① any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- ① any Claim in respect of the Administrative Reserve Costs; and
- ① any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any

and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be

distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in

connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons

or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors

shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be

materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if

delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or

termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES – WISCONSIN**

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of Enerphase Industrial Solutions, Inc. pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of Enerphase Industrial Solutions, Inc. (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of Enerphase
Industrial Solutions, Inc. and not in its
personal or corporate capacity.

Per:

Name:

Title:

SCHEDULE I – Plan of Compromise of 1224933 Ontario Inc. (formerly Compressed Air International Inc.)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF 1224933 ONTARIO INC. (FORMERLY COMPRESSED
AIR INTERNATIONAL INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder; **"Effective Time"** means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- ① any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- ② any Claim in respect of the Administrative Reserve Costs; and
- ③ any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the **"Unsecured Creditors' Class"**.

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the

CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of

the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount;
- (b) *second*, to each Affected Creditor for the remainder of its Proven Claim (including the interest provided for at Section 5.7 of this Plan); and
- (c) *third*, to BLA, as the sole shareholder of the Plan Debtor.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Proven Claims will bear interest at the rate of 5% per annum for the period commencing on the Determination Date and ending on the relevant Distribution Date (until repaid in full).

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

and their respective heirs, executors, administrators and other legal representatives; successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

SCHEDULE J – Plan of Compromise of California Compression, LLC

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF CALIFORNIA COMPRESSION, LLC

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, California Compression, LLC (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, the Plan Debtor, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at

\$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder; **"Effective Time"** means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- ⓪ any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- ⓪ any Claim in respect of the Administrative Reserve Costs; and
- ⓪ any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force

from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to

legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the

Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the

Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.

- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal

counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the **"Released Parties"**), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the **"Plan Implementation Conditions"**) by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the

purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such

amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville

Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500

Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly **XEBEC
HOLDING USA INC.**)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC.** (formerly **XBC FLOW SERVICES – WISCONSIN**)

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of California Compression, LLC pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of California Compression, LLC (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of California
Compression, LLC and not in its personal or
corporate capacity.

Per:

Name:

Title:

SCHEDULE K – Plan of Compromise of CDA Systems, LLC

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF CDA SYSTEMS, LLC

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, CDA Systems, LLC (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, the Plan Debtor, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and the plans of compromise of CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently

estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- ① any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- ① any Claim in respect of the Administrative Reserve Costs; and
- ① any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any

and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be

distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the **"Released Parties"**), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in

connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons

or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors

shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be

materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if

delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or

termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES – WISCONSIN**

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of CDA Systems, LLC pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of CDA Systems, LLC (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of CDA
Systems, LLC and not in its personal or
corporate capacity.

Per:

Name:

Title:

SCHEDULE L – Plan of Compromise of FormerXBC NOR Corporation (formerly Nortekbelair Corporation)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

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-and-

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-and-

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HOLDING USA INC.**)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly **XBC FLOW SERVICES – WISCONSIN INC.**)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC NOR CORPORATION (FORMERLY
NORTEKBELAIR CORPORATION)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC NOR Corporation (formerly Nortekbelair Corporation) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, the Plan Debtor, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CDA, CAL, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of the CAL, the Plan Debtor, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a

Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any

U.S. Taxing Authority, and "**Taxing Authority**" means any one of the Taxing Authorities;

"**Tax Obligation**" means any amount of Tax owing by a Person to a Taxing Authority;

"**TIT**" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"**UEC**" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"**Unaffected Claim**" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"**Unaffected Creditors**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"**Undelivered Distribution**" has the meaning set forth in Section 5.9 hereof;

"**Undelivered Distribution Notification**" has the meaning set forth in Section 5.9 hereof;

"**U.S. Bankruptcy Code**" has the meaning ascribed thereto in the recitals;

"**U.S. Case**" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"**U.S. Cash on Determination Date**" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"**U.S. Court**" has the meaning ascribed thereto in the recitals;

"**U.S. Recognition Order**" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"**U.S. Taxing Authority**" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"**Unsecured Creditors' Class**" has the meaning set forth in Section 3.2 hereof;

"**Voting Claim**" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the **"Unsecured Creditors' Class"**.

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.

- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the

Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the

Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.

- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal

counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the **"Released Parties"**), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the **"Plan Implementation Conditions"**) by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in, or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the

purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such

amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500

Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid; void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SU P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC.** (formerly XBC FLOW SERVICES – WISCONSIN

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) and not in its personal or corporate capacity.

Per:

Name:

Title:

SCHEDULE M – Plan of Compromise of FormerXBC Pennsylvania Company (formerly
The Titus Company)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF FORMERXBC PENNSYLVANIA COMPANY
(FORMERLY THE TITUS COMPANY)

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Pennsylvania Company (formerly The Titus Company) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, resiliation, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting,

directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory

authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.)*, et al., pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the

Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the **"Unsecured Creditors' Class"**.

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.

- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "Released Parties"), shall be released and discharged from any and

all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;

- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission

in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /

fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: iperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way

be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted

assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly **XEBEC
HOLDING USA INC.**)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC.** (formerly **XBC FLOW SERVICES – WISCONSIN**)

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Pennsylvania Company (formerly The Titus Company) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C- 36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC Pennsylvania Company (formerly The Titus Company) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of
FormerXBC Pennsylvania Company
(formerly The Titus Company) and not in its
personal or corporate capacity.

Per:

Name:

Title:

SCHEDULE N – Plan of Compromise of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTÉKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC SYSTEMS USA, LLC (FORMERLY
XEBEC SYSTEMS USA, LLC)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, the Plan Debtor, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CAL, CDA, NOR, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, the Plan Debtor and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting,

directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory

authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the **"Unsecured Creditors' Class"**.

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.

- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the

Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the

Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.

- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal

counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the **"Released Parties"**), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the **"Plan Implementation Conditions"**) by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the

purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such

amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500

Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC.** (formerly XBC FLOW SERVICES – WISCONSIN

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of
FormerXBC Systems USA, LLC (formerly
Xebec Systems USA, LLC) and not in its
personal or corporate capacity.

Per:

Name:

Title:

**SCHEDULE O – Plan of Compromise of FormerXBC Flow Services – Wisconsin Inc.
(formerly XBC Flow Services – Wisconsin Inc.)**

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC FLOW SERVICES – WISCONSIN INC.
(FORMERLY XBC FLOW SERVICES – WISCONSIN INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

“**ACS**” means Applied Compression Systems Ltd.;

“**Administration Charge**” has the meaning ascribed to such term in the Initial Order;

“**Administration Claim**” means a claim or any other indebtedness or obligation secured by the Administration Charge;

“**Administrative Reserve**” means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

“**Administrative Reserve Account**” means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

“**Administrative Reserve Costs**” means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor’s fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor’s Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC’s financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, the Plan Debtor and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CAL, CDA, NOR, UEC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and the Plan Debtor, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, resiliation, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting,

directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory

authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the

Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

To the extent that the Distribution Proceeds are insufficient to make the distribution referred to in paragraph 5.3(a) of this Plan in whole, the Distribution Proceeds shall be increased to be sufficient to make such distribution by a portion of the BLA Shortfall Repayment and/or dividends received pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and

- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise

reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.

- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis

Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP

1000 De La Gauchetière Street West

Suite 2100

Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville

Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jinadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES – WISCONSIN**

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 6, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) and not in its personal or corporate capacity.

Per:

Name:
Title:

SCHEDULE P – Plan of Compromise of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF FORMERXBC HOLDING USA INC. (FORMERLY
XEBEC HOLDING USA INC.)

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order *inter alia* approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and the Plan Debtor pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and the plans of compromise of CDA, CAL, NOR, UEC and XBC. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting,

directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory

authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the

Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends the Plan Debtor receives pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.

- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and

all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;

- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission

in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville

Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /

fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way

be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted

assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly **XEBEC
HOLDING USA INC.**)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC.** (formerly **XBC FLOW SERVICES – WISCONSIN**)

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

SCHEDULE Q – Plan of Compromise of FormerXBC Adsorption USA Inc..(formerly
Xebec Adsorption USA Inc.)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

S U P E R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN INC.
(formerly XBC FLOW SERVICES – WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC ADSORPTION USA INC. (FORMERLY
XEBEC ADSORPTION USA INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), Applied Compression Systems Ltd., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.), Enerphase Industrial Solutions, Inc., California Compression, LLC, CDA Systems, LLC, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, 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 or anticipatory 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 prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting,

directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services 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 foreign government, regulatory

authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and "**Taxing Authority**" means any one of the Taxing Authorities;

"**Tax Obligation**" means any amount of Tax owing by a Person to a Taxing Authority;

"**TIT**" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"**UEC**" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"**Unaffected Claim**" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"**Unaffected Creditors**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"**Undelivered Distribution**" has the meaning set forth in Section 5.9 hereof;

"**Undelivered Distribution Notification**" has the meaning set forth in Section 5.9 hereof;

"**U.S. Bankruptcy Code**" has the meaning ascribed thereto in the recitals;

"**U.S. Case**" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"**U.S. Court**" has the meaning ascribed thereto in the recitals;

"**U.S. Recognition Order**" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"**U.S. Taxing Authority**" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"**Unsecured Creditors' Class**" has the meaning set forth in Section 3.2 hereof;

"**Voting Claim**" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) 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

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution 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 succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the

Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise or arrangement of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld 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 succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.

- (e) To the extent that amounts are 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 deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and

all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;

- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, 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.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

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

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission

in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

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

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville

Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /

fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four

(4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way

be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
 - (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted

assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SU PE R I O R C O U R T
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985, c.
C-36)

No.: 500-11-061483-224

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly XEBEC
HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES – WISCONSIN**

INC.)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title: