

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-064117-241
(500-11-064118-249)

SUPERIOR COURT
Commercial Division

Montreal, May 23, 2024

Present: The Honourable Janet Michelin, J.S.C..

**IN THE MATTER OF THE NOTICES OF
INTENTION TO MAKE A PROPOSAL:**

A&D PRÉVOST Inc. ("Prévost")

And

ADP FAÇADES INC. ("Façades")

Prévost and Façades are the **Debtors**

And

RESTRUCTURATION DELOITTE INC.

Trustee

FIERA FP BUSINESS FINANCING FUND

Interim Lender

-and-

FIERA PRIVATE DEBT FUND V LP

-and-

FIERA PRIVATE DEBT FUND VI LP

-and-

BANQUE TORONTO DOMINION

TD

-and-

INVESTISSEMENT QUÉBEC

-and-

FAAN ADVISORS GROUP INC.

Mises en cause

ORDER

ON READING Debtors' petition entitled *Requête pour (i) l'émission d'une ordonnance de consolidation procédurale, (ii) l'approbation d'un financement intérimaire, (iii) la nomination d'un chef de la restructuration (CRO), (iv) l'approbation d'un processus de sollicitation d'investissements et de vente, et (v) autres mesures de redressement* pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**") and the exhibits, the affidavit of Claude Cardin filed in support thereof (the "**Petition**"), the report dated May 21, 2024 of Deloitte Restructuring Inc. (the "**Trustee**") and its relying upon the submissions of counsel and being advised that the interested parties, including the secured creditors who are likely to be affected by the charges created herein (i.e. (Fiera Private Debt Fund V LP and Fiera Private Debt Fund VI LP (collectively, the "**Fiera Group**"), Toronto-Dominion Bank ("**TD**"), and Investissement Québec ("**IQ**") (the Fiera Group, TD and IQ are collectively the "**Secured Creditors**") were given prior notice of the presentation of the Petition;

GIVEN the provisions of the BIA and for reasons to follow:

WHEREFORE, THE COURT:

1. **GRANTS** the Petition.
2. **ISSUES** an order pursuant to the BIA (the "**Order**"), divided under the following headings:
 - Service
 - The BIA and procedural consolidation
 - Effective time
 - Possession of Property
 - Sale and Investment Solicitation Process ("**SISP**")
 - Interim financing

- Administration charge
- Chief Restructuring Officer
- The Trustee
- Priorities of the BIA Charges.
- Confidentiality
- General

Service

3. **DECLARES** that sufficient prior notice of the presentation of this Petition has been given by the Debtors to interested parties, including the Secured Creditors, who are likely to be affected by the charges created herein.
4. **DECLARES** that any interested Person who may wish to apply to this Court to vary or rescind the Order or seek other relief, may only do so upon seven (7) days notice to the Debtors, the Trustee, the Interim Lender and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order;

The BIA and procedural consolidation

5. **ORDERS** the administrative and procedural consolidation of both matters arising from the Notices of Intention to File a Proposal filed by the Debtors on May 17, 2024 and the BIA proceedings of the Debtors under the same court file number 500-11-064117-241.
6. **ORDERS** that all proceedings, filings, and other matters in the BIA proceedings be filed jointly and together by the Debtors under the same court file number mentioned above.
7. **DECLARES** that the consolidation of these BIA proceedings in respect of the Debtors shall be for procedural and administrative purposes only and shall not effect a consolidation of the assets, the property, the debts and the obligations of each of the Debtors.

Effective time

8. **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Quebec, on the date of this Order (the "**Effective Time**").

Possession of Property

9. **ORDERS** that the Debtors shall remain in possession and control of its present and future affairs, business, assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the "**Property**").

Sale and Investment Solicitation Process

10. **APPROVES** and **RATIFIES** the Sale and Investment Solicitation Process (the "**SISP**") set forth in the "Procedures for the Sale and Investment Solicitation Process" attached as **Schedule A** hereto (the "**SISP Procedures**") as part of the present Order.
11. **AUTHORIZES** and **DIRECTS** the CRO (as defined below) and as the case may be, the Trustee, in consultation with the Debtors and others, as applicable, to implement the SISP and to take such steps and execute such documentation as may be necessary or incidental thereto, the whole in accordance with the SISP Procedures.
12. **ORDERS** and **DECLARES** that contractual rights and remedies of third parties specifically restricting the disposition of any of the Property and/or any part of the business of the Debtors, including but not limited to, provisions with respect to rights of first refusal, rights of first offer, rights to match an offer, options to purchase, or other restrictive covenants with respect to the sale of an interest in any of the Property and/or any part of the business and/or any shares of the Debtors (collectively, the "**Restrictive Sale Provisions**") are stayed and unenforceable in the context of the SISP, may not be enforced against a potential bidder in the context of the SISP, and shall not limit or impair the CRO's and the Trustee's ability, and as the case may be the Debtors, to conduct the SISP and to implement any transaction thereunder.
13. **ORDERS** and **DECLARES** that the Trustee and the CRO are authorized and permitted to market any of the Property, shares and/or any part of the business of the Debtors without complying with the Restrictive Sale Provisions, in accordance with the SISP Procedures.
14. **ORDERS** that the Trustee, the CRO, the Debtors, the Secured Creditors and each of their respective affiliates, partners, directors, employees, agents, controlling persons, lenders, legal counsel and advisors, as applicable, shall have no liability with respect to

any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of the conduct of the SISP or the performance of their duties under the SISP, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

15. **ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* and 18(6) of the *Quebec Act respecting the Protection of Personal Information in the Private Sector*, the CRO, the Trustee and the Debtors are hereby authorized and permitted to disclose and provide to each Potential Bidder (as defined in the SISP Procedures), personal information of identifiable individuals, including employees of any of the Debtors, but only to the extent desirable or required to negotiate or attempt to complete a Transaction (as defined in the SISP Procedures). Each Potential Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Debtors, the Trustee or the CRO, as applicable, or, in the alternative, destroy all such information and provide confirmation of its destruction to the CRO, the Trustee and the Debtors.

Interim Financing

16. **ORDERS** that the Debtors be and are hereby authorized to borrow, repay and reborrow from Fiera FP Business Financing Fund. L.P. (the "**Interim Lender**") such amounts from time to time as Debtors may consider necessary or desirable, up to a maximum principal amount of \$4,500,000 outstanding at any time, on the terms and conditions as set forth in the Interim Financing Term Sheet filed as Exhibit R-18 (under seal) in support of the Petition (the "**Interim Financing Term Sheet**") and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of Debtors and to pay such other amounts as are permitted by the terms of the Order and the Interim Financing Documents (as defined hereinafter) (the "**Interim Facility**");
17. **ORDERS** that the Debtors are hereby authorized to execute and deliver such credit agreements, security documents and other definitive documents (collectively the "**Interim Financing Documents**") as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Term Sheet, and the

Debtors are hereby authorized to perform all of its obligations under the Interim Financing Documents;

18. **ORDERS** that the Debtors shall pay to the Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all reasonable fees and disbursements of counsel and all other reasonably required advisers to or agents of the Interim Lender on a full indemnity basis (the “**Interim Lender Expenses**”)) under the Interim Financing Documents and shall perform all of its other obligations to the Interim Lender pursuant to the Interim Financing Term Sheet, the Interim Financing Documents and the Order;
19. **DECLARES** that all of the Property of the Debtors are hereby subject to a charge, hypothec and security for an aggregate amount of \$5,625,000 (such charge and security is referred to herein as the “**Interim Lender Charge**”) in favour of the Interim Lender as security for all obligations of Debtors to the Interim Lender with respect to all amounts owing (including principal, interest and the Interim Lender Expenses) under or in connection with the Interim Financing Term Sheet and the Interim Financing Documents. The Interim Lender Charge shall have the priority established by this Order including paragraphs 36, 37, and 38;
20. **ORDERS** that the claims of the Interim Lender and the Interim Financing Documents shall not be compromised or arranged (i) by any proposal under the BIA, (ii) any assignment under the BIA made or deemed to be made with respect of either of the Debtors, (iii) any proceedings or plan under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36 or (iv) these proceedings, and the Interim Lender, in that capacity, shall be treated as an unaffected creditor in these events described previously;
21. **ORDERS** that the Interim Lender may:
 - (a) notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate; and
 - (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Debtors if the Debtors fail to meet the provisions of the Interim Financing Term Sheet and the Interim Financing Documents;

22. **ORDERS** that the Interim Lender shall not take any enforcement steps under the Interim Financing Documents or the Interim Lender Charge without providing at least three (3) days written notice (the “**Notice Period**”) of a default thereunder to the Debtors, the Trustee and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Interim Lender shall be entitled to take any and all steps under the Interim Financing Documents and the Interim Lender Charge and otherwise permitted at law, but without having to send any demands under Section 244 of the BIA;

Administration charge

23. **ORDERS** the Debtors to pay the reasonable costs and disbursements to their counsel (Miller Thomson LLP), the Trustee (Deloitte Restructuring Inc.) and counsel for the Trustee (Norton Rose Fulbright Canada LLP), counsel for Fiera Group and the Interim Lender (Fasken Martineau Dumoulin LLP) and the CRO (FAAN Advisors Group Inc.), that are directly relating to these proceedings, whether incurred before or after the present Order and to pay in advance to each of them a reasonable provision for such costs and disbursements upon demand.
24. **DECLARES** that, as security for these professional fees and disbursements incurred both before and after the present Order in respect to these proceedings, Miller Thomson LLP, Deloitte Restructuring Inc., Norton Rose Fulbright LLP, Fasken Martin Dumoulin LLP and FAAN Advisors Group Inc. shall hereby be granted a charge, hypothec and security on the Property of the Debtors, up to an amount of \$500,000 (the “**Administration Charge**”). The Administration Charge shall have the priority established by this Order including paragraphs 36, 37 and 38;

Chief Restructuring Officer

25. **CONFIRMS** the nomination of FAAN Advisors Group Inc. (“**FAAN**”) as Chief Restructuring Officer of the Debtors (the “**CRO**”).
26. **ORDERS** that the letter of commitment from FAAN dated May 21, 2024, Exhibit R-19 (under seal) (the “**CRO Mandate**”) in support of the Petition is hereby approved and that the Debtors are authorized to continue all their operation in accordance with the CRO Mandate.

27. **ORDERS** the Debtors and their directors, officers, employees, agents, accountants, auditors and any other person having knowledge of the present Order to cooperate with the CRO and **ORDERS** that the CRO be given unrestricted access to all of the Debtors' business and Property, including establishments, premises, books, files, data, including but not limited to data in electronic form, and any and all other documents.
28. **ORDERS** that the Debtors pay the reasonable fees and disbursements of the CRO in accordance with the terms of the CRO Mandate, whether incurred before or after the present Order, and **AUTHORIZES** the Debtors to pay the CRO a reasonable provision for its disbursements, if any.
29. **ORDERS** that the CRO of the Debtors, its officers, directors, employees or agent, including without limitation, Mr. Naveed Manzoor, shall not incur any liability as a result of their nomination or dismissal in connection with the performance of their obligations under the present Order, it being understood that the present paragraph does not cover any liability arising from fraud, wilful misconduct, wilful omission, bad faith or gross negligence.
30. **ORDERS** that the duties and powers of the CRO shall, as the case may be to the extent required by the Debtors, include:
- (a) shall review and approve the Debtors' receipts and disbursements;
 - (b) shall assist the Debtors in dealing with its creditors and other interested persons;
 - (c) shall assist the Debtors with the preparation of its cash flow projections and approve any other projections or reports;
 - (d) shall carry out the SISP in accordance with the terms thereof and the provisions of this Order;
 - (e) shall advise and assist the Debtors, to review the Debtors' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
 - (f) shall assist the Debtors, with its negotiations with its creditors and other interested Persons;

- (g) shall, upon request of this Court or the Trustee, report to the Court on the state of the business and financial affairs of the Debtors, the SISP or developments in these proceedings or any related proceedings;
- (h) shall, upon request of the Secured Creditors, report on the state of the the business and financial affairs of the Debtors, the SISP or developments in these proceedings or any related proceedings;
- (i) shall report to this Court, the Trustee and the Interim Lender with respect to its assessment of and recommendations with respect to the SISP and, as the case may be, the intended proposal to the creditors;
- (j) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order, including, without limitation, one or more entities related to or affiliated with the CRO;
- (k) may give any consent or approval as may be contemplated by the Order; and
- (l) may or shall perform such duties as are required by the Order, this Court from time to time or pursuant to the CRO Mandate.

31. **DECLARES** that no action or other proceedings shall be commenced against the CRO relating to its appointment, its conduct as CRO or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven (7) days notice to the CRO. The entities related to or affiliated with the CRO shall also be entitled to the protection, benefits and privileges afforded to the CRO pursuant to this paragraph.

The Trustee

32. **ORDERS** that the Trustee, in addition to the prescribed powers and obligations provided for under the BIA, the SISP Procedures and any Order of this Court:
- (a) shall make this Order publicly available in the manner prescribed under the BIA;
 - (b) shall assist the Debtors, to the extent required by the CRO or the Debtors, in dealing with its creditors and other interested Persons;

- (c) shall assist the Debtors, to the extent required by the CRO or the Debtors, with the preparation of its cash flow projections and any other projections or reports and the development, negotiation and implementation of a proposal;
- (d) shall assist the Debtors, to the extent required by the CRO or the Debtors, with its negotiations with its creditors and other interested Persons;
- (e) shall report to the Court on the state of the business and financial affairs of the Debtors, the SISP or developments in these proceedings or any related proceedings within the time limits set forth in the BIA and at such time as considered appropriate by the Trustee or as the Court may order;
- (f) shall report to this Court, the Debtors and Interim Lender with respect to the Trustee's assessment of and recommendations with respect to the SISP, any Transaction submitted for approval by the Court and, as the case may be, the intended proposal to the creditors;
- (g) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order, including, without limitation, one or more entities related to or affiliated with the Trustee;
- (h) may engage legal counsel to the extent the Trustee considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under the Order or under the BIA;
- (i) may give any consent or approval as may be contemplated by the Order or the BIA;
- (j) may perform such other duties as are required by this Order, the BIA or by this Court from time to time; and
- (k) may perform such other duties as are required by this Order, the BIA or by this Court from time to time.

Unless expressly authorized to do so by this Court, the Trustee shall not otherwise interfere with the business and financial affairs carried on by the Debtors, and the Trustee is not empowered to take possession of the Property nor to manage any of the business and financial affairs of the Debtors.

33. **ORDERS** that the Debtors and their directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Trustee with unrestricted access to all of the business of the Debtors and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Debtors in connection with the Trustee's duties and responsibilities hereunder.
34. **DECLARES** that the Trustee may provide the Secured Creditors and other relevant stakeholders of the Debtors with information in response to requests made by them in writing addressed to the Trustee and copied to the Debtors' counsel. In the case of information that the Trustee has been advised by the Debtors is confidential, proprietary or competitive, the Trustee shall not provide such information to any Person without the consent of the Debtors unless otherwise directed by this Court.
35. **DECLARES** that no action or other proceedings shall be commenced against the Trustee relating to its appointment, the implementation of the SISP, its conduct as Trustee or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven (7) days notice to the Trustee and its counsel. The entities related to or affiliated with the Trustee shall also be entitled to the protection, benefits and privileges afforded to the Trustee pursuant to this paragraph.

Priorities of the BIA Charges

36. **DECLARES** that with respect to the accounts receivable and inventory of Prévost (the "**Specific Collateral**"), the priorities of the Administration Charge and the Interim Lender Charge (collectively, the "**BIA Charges**"), and any valid security held by TD on the Specific Collateral (the "**TD Security**"), as between them, shall be as follows:
- (a) first, Administration Charge;
 - (b) second, the TD Security;
 - (c) third, the Interim Lender Charge;
37. **DECLARES** that for all Property other than the Specific Collateral, the priorities of the BIA Charges shall be as follows:
- (a) first, Administration Charge;
 - (b) second, the Interim Lender Charge.

38. **DECLARES** that subject to the above, each of the BIA Charges shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, deemed trust, encumbrances or security of whatever nature or kind (collectively, the “**Encumbrances**”) affecting the Property charged by such Encumbrances. For sake of clarity:
- (a) the Interim Lender Charge shall rank prior to any and all valid security held by the Fiera Group and IQ with respect to all Property (respectively, the “**Fiera Security**” and the “**IQ Security**”); and
 - (b) the Administration Charge shall rank prior to the Interim Lender Charge, the TD Security, the Fiera Security and the IQ Security with respect to all Property.
39. **ORDERS** that, except as otherwise expressly provided for herein, the Debtors shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the BIA Charges unless the Debtors obtain the prior written consent of the Trustee, the Interim Lender and the prior approval of the Court.
40. **DECLARES** that each of the BIA Charges shall attach, as of the Effective Time, to all present and future Property of the Debtors, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
41. **DECLARES** that the BIA Charges and the rights and remedies of the beneficiaries of such Charges, as applicable, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceeding, (ii) any assignment under the BIA, made or deemed to be made in respect of the Debtors, (iii) any proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36 (iv) any proposal filed under these proceedings, or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtors (a “**Third Party Agreement**”), and that notwithstanding any provision to the contrary in any Third Party Agreement:
- (a) the creation of any of the BIA Charges shall not create or be deemed to constitute a breach by the Debtors of any Third Party Agreement to which it is a party; and

- (b) any of the beneficiaries of the BIA Charges shall not have liability to any Person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the BIA Charges.

- 42. **DECLARES** that notwithstanding any events described in the previous paragraph and the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtors pursuant to the Order and the granting of the BIA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.
- 43. **DECLARES** that the BIA Charges shall be valid and enforceable as against all Property of the Debtors and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, monitor, receiver and manager or interim receiver of the Debtors, for all purposes.

Confidentiality

- 44. **ORDERS** that Exhibits R-6, R-7, R-11, R-12, R-13, R-14, R-17, R-18, R-19 filed in support of the Petition along with Annex A and Annex B of the Trustee's report filed as Exhibit R-20, all be kept confidential and under seal until the earlier of June 16th, 2024 or further order of this Court.

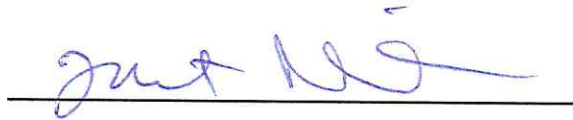
General

- 45. **ORDERS** that no Person shall commence, proceed with or enforce any claim or proceedings against any of the Debtors, their directors, officers, employees, legal counsel or financial advisors, in relation to the business or Property of the Debtors, without first obtaining leave of this Court, upon seven (7) days written notice to the Debtors' counsel and the Trustee and to all those referred to in this paragraph whom it is proposed be named in such claims as Proceedings.
- 46. **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of the Debtors shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order;

however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

47. **DECLARES** that the Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Debtors under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement including any Third Party Agreement.
48. **DECLARES** that, except as otherwise specified herein, the Debtors and the Trustee are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Debtors and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.
49. **DECLARES** that the Debtors and any party to these proceedings may serve or notify any court materials in these proceedings on all represented parties electronically, by emailing a PDF, or reference to an electronic link, other electronic copy of such materials to counsels' email addresses.
50. **DECLARES** that, unless otherwise provided herein, under the BIA, or ordered by this Court, no document, order or other material need to be served or notified on any Person in respect of these proceedings, unless such Person has served or notified an answer (Notice of Appearance) on the legal counsels for the Debtors and the Trustee and has filed such answer with this Court, or appears on the service list maintained by the Trustee or its attorneys, save and except when an order is sought against a Person not previously involved in these proceedings;
51. **DECLARES** that the Debtors or the Trustee may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other.
52. **DECLARES** that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

53. **DECLARES** that the Trustee or the Debtors shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body in Canada, any Province of Canada and any Canadian federal court or administrative body and any federal or state court to act in aid of and to be complementary to this Court in carrying out the terms of the Order, for orders which aid and complement the Order and any subsequent orders of this Court. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Trustee or the Debtors as may be deemed necessary or appropriate for that purpose.
54. **ORDERS** the provisional execution of the Order notwithstanding any appeal.



The Honourable JANET MICHELIN, J.S.C.

ANNEX A

PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

A. & D. PRÉVOST INC., ADP FAÇADES INC.

Preamble

On May 17th, 2024, A. & D. Prévost Inc. ("**Prévost**") and ADP Façades Inc. ("**Façades**", and collectively with Prévost, the "**Debtors**"), filed a notice of intention to file a proposal (the "**NOI**") pursuant to the *Bankruptcy and Insolvency Act*, RSC (1985), c. B-3 (the "**BIA**"). Deloitte Restructuring Inc. is acting as trustee to the NOI (in such capacity, the "**Trustee**").

On May 23rd, 2024, the Superior Court of Québec (Commercial division) of the district of Montréal (the "**Court**") issued, namely, an order (the "**SISP Order**"), approving the implementation of a sale and investment solicitation process with respect to Prévost (the "**SISP**").

In accordance with the above-mentioned orders, and more particularly the SISP Order, the CRO, with the assistance of the Trustee, intend to implement the SISP, in consultation with the Lenders, all in accordance with these procedures (the "**SISP Procedures**").

Defined terms

- [1] Capitalized terms used in these SISP Procedures shall have the meaning ascribed to them in Schedule "A" hereof.

SISP and Potential Transactions

- [2] The SISP aims to solicit offers (each, an "**Offer**") to enter into transactions (each, a "**Potential Transaction**") consisting of one of the following scenarios:

- a) a sale of all, substantially all or, at the very least, certain portions of Prévost's assets or business, whether or not such sale is a going concern of Prévost; or
- b) a reorganization of Prévost or its business, in the form of an investment, restructuring, reverse vesting transaction, recapitalization or refinancing.

It being understood that any Offer may also include an offer concerning the accounts receivable of Façades, but that no Offer may pertain solely to assets of Façades.

- [3] The SISP Procedures describe, in particular, the terms and conditions under which interested parties (the "**Bidders**") may: (i) participate in the SISP, (ii) access documents made available to them by the CRO and the Trustee as part of the due diligence of Prévost's business, operations and assets (iii) submit a Non-binding Offer and a Binding Offer in connection with a Potential Transaction, as well as the terms and conditions under which (i) the CRO, in consultation with the Debtors, the Trustee and the Lenders,

will make the final selection of the Successful Offer(s) and (ii) the Debtors, as instructed by the CRO, in consultation with the Trustee and the Lenders, will apply to the Court for the necessary approvals, in particular, to approve the Successful Offer(s).

- [4] The CRO, in consultation with the Debtors, Trustee and the Lenders, may make changes, corrections or additions to the SISP or the SISP Procedures at any time, without the need for a Court order or consultation with the Bidders for this purpose.
- [5] The Trustee shall promptly publish any changes, corrections or additions to the SISP Procedures on its website and notify the Bidders as well as the Court.
- [6] In the event of any dispute as to the implementation of the SISP or the interpretation of these SISP Procedures (a "**Dispute**"), the Court shall have exclusive jurisdiction to hear and resolve such Dispute.
- [7] The key dates pursuant to the SISP, as more fully detailed under these SISP Procedures, are as follows:

<u>Event</u>	<u>Target key dates</u>
Phase 1 – Submission of Non-binding Offers	
1. Distribution of solicitation documents to identified potential buyers or investors	No later than June 7, 2024
2. Initial determination of interest following receipt of solicitation documents	Between the completion of step 1 and July 12, 2024
3. Deadline for submission of Non-binding Offers	On July 12, 2024 at 4:00 PM EST
4. Determination of Qualified Bidders for Phase 2	Between July 12, 2024 and July 26, 2024
Phase 2 – Submission of Binding Offers	
5. Final due diligence period	Between July 29, 2024 and August 30, 2024
6. Deadline for submission of Binding Offers	On August 30, 2024 at 4:00 PM EST
7. Selection of the Successful Offer(s)	No later than September 9, 2024
8. Deadline for finalizing transaction documents based on Successful Offer(s)	No later than September 16, 2024
9. Notification of an Application for the issuance of one or more approval and vesting order(s)	No later than September 18, 2024

<u>Event</u>	<u>Target key dates</u>
10. Hearing on the Application for the issuance of one or more approval and vesting order(s)	No later than September 23, 2024, subject to the availability of the Court
11. Closing of the selected transaction(s)	On September 24, 2024 or any later date agreed by the Lenders, in consultation with the Trustee

Step 1: Distribution of Solicitation Documents

- [8] On or about May 31, 2024, the Trustee shall:
- a) send to potentially interested parties solicitation material and documents (the "**Solicitation Documents**"), including an invitation to potentially interested parties to submit an Offer pursuant to the SISP, a copy of these SISP Procedures and a copy of a NDA allowing such potentially interested parties, upon signing of such agreement and the SISP Procedures, to access to a confidential virtual data room (the "**VDR**");
 - b) publish and / or issue a notice or press release announcing the SISP and other information which it deems relevant in connection with the SISP in a publication deemed appropriate by the Trustee;

Step 2: Initial Due Diligence Period

- [9] A VDR will be made available to interested parties that will have signed the NDA and these SISP Procedures, in accordance with the terms of paragraph [11] hereof.
- [10] The Trustee may establish separate VDRs (including secure rooms), if it reasonably determines that such action promotes compliance by interested parties with applicable competition laws or prevents the distribution of commercially sensitive competitive information. The Trustee may also restrict a Potential Bidder's access to confidential information in the VDR if the Trustee reasonably determines that such access may negatively impact the SISP, the ability to maintain the confidentiality of the information, or the value of the Debtors' assets or business.
- [11] In order to participate in the SISP, any potentially interested party will be required to deliver to the Trustee an executed non-disclosure agreement, in form and substance acceptable to the Trustee (a "**NDA**"), together with a signed copy of these SISP Procedures confirming the party's commitment to comply with these SISP Procedures. Each interested party having signed a NDA and a written confirmation of its commitment to comply with these SISP Procedures will hereinafter be referred to as a "**Potential Bidder**").
- [12] Prior to granting access to the VDR to a Potential Bidder, the CRO, in consultation with the Trustee, may, if it deems appropriate, require the presentation of reasonably

satisfactory evidence of the financial means available to complete such Potential Transaction (including financial means based on existing capital or capital reasonably anticipated to be raised prior to closing) and/or to disclose details of its ownership and/or investors of such Potential Bidder.

- [13] During the term of the SISP, any Potential Bidder will be prohibited from communicating with any other Potential Bidder in connection with the SISP or Potential Transactions without the Trustee's consent or otherwise than in accordance with the terms and conditions prescribed by the Trustee.
- [14] A Potential Bidder that has signed a NDA, these SISP Procedures and that has provided the Trustee with the information required under paragraph [12], if requested by the Trustee, shall be considered a **"Qualified Bidder for Phase 1"**.
- [15] The Lenders, or any of their affiliates, shall be entitled to submit a Credit Bid pursuant to the SISP, provided that (i) the credit bid portion of such Credit Bid cannot exceed the aggregate value of the Lenders' secured claim; and (ii) such Credit Bid must include at least sufficient cash consideration to satisfy any priority payment required to be paid that rank ahead of the Lenders' secured claim or otherwise assume or satisfy such obligations. The Lenders or any of their affiliates shall not be required to provide any evidence of funding or financing in the context of their Credit Bid, or to submit a Deposit in connection with their Credit Bid.
- [16] The Trustee will grant access to the VDR to any person considered a Qualified Bidder for Phase 1.
- [17] The CRO, the Trustee and its advisors make no representations or warranties whatsoever as to the accuracy of the information contained in the documents in the VDR.
- [18] The VDR will contain a model of a draft asset purchase agreement (the **"Model Purchase Agreement"**).

Step 3: Deadline for submission of Non-binding Offers

- [19] If a Qualified Bidder for Phase 1 wishes to submit a non-binding offer in respect of a Potential Transaction, it shall submit to the CRO, no later than 4:00 p.m. (Eastern Time) on July 12, 2024 (the **"Non-binding Offer Deadline"**), a non-binding offer (a **"Non-binding Offer"**) identifying the assets subject to a Potential Transaction, in the case of an asset purchase offer, or, in the case of an investment offer, the structure of the proposed Potential Transaction.
- [20] A Non-binding Offer will be considered as a qualified Non-binding Offer (a **"Qualified Non-binding Offer"**) if:
 - a) it has been received before the Deadline for the submission of a Non-binding Offer;
 - b) it (i) identifies the Qualified Bidder for Phase 1 and the representatives who are authorized to appear and act on behalf of the Qualified Bidder for Phase 1 for all purposes in connection with the Potential Transaction and (ii) fully discloses the identity of each entity or person who will finance, participate in or benefit from the Potential Transaction contemplated by the Binding Offer;

- c) it indicates whether the Qualified Bidder for Phase 1 is offering to: (i) acquire the assets or a portion of the assets of Prevost and, if so, sets out a description of the specific assets to be included in the Potential Transaction and the assets to be excluded therefrom or (ii) invest in the Debtors through a restructuring, recapitalization or refinancing;
- d) it sets out the conditions required for the closing of the submitted Non-binding Offer;
- e) it sets out whether the Qualified Bidder for Phase 1 requires, as part of the Potential Transaction, the signature of a transition agreement, and, if so, the terms and conditions of such a contemplated transition agreement;
- f) it indicates the purchase price or investment amount offered, the obligations of the Debtors that the Qualified Bidder for Phase 1 is offering to assume, and the Qualified Bidder for Phase 1's intentions to retain or hire the Debtors' employees or a portion thereof;
- g) it is not subject to any financing conditions;
- h) it provides written evidence, satisfactory to the CRO, in consultation with the Debtors, the Trustee and the Lenders, of its capacity (i) to close the Potential Transaction on or before September 24, 2024 or such earlier date as is practical for the parties for closing the contemplated Potential Transaction, following satisfaction or waiver of the closing conditions (the "**Target Closing Date**"), and (ii) to fulfill its obligations or liabilities to be assumed at the closing of the Potential Transaction, including, without limitation, a specific indication of capital sources; and
- i) it contains such other information as the CRO, the Debtors, the Trustee or the Lenders may reasonably request.

[21] The CRO, in consultation with the Debtors, the Trustee and the Lenders, may waive compliance with one or more of the requirements mentioned in paragraph [20].

[22] Notwithstanding anything in these SISP Procedures or the SISP Order to the contrary, a Credit Bid from the Lenders or any of their affiliates shall be a Qualified Bid.

[23] The Lenders, or any of their affiliates, shall notify the Trustee and the CRO, in writing, of their intention to make a Credit Bid no later than ten (10) days after the Non-binding Offer Deadline

Step 4: Review of Qualified Bidders for Phase 2

[24] The CRO and the Debtors, in consultation with the Trustee and the Lenders, shall review each Non-binding Offer submitted for the purpose of determining which such offer(s) is/are qualified for Phase 2 (the "**Qualified Phase 2 Offer**"), and which Bidder(s) having submitted such Non-binding Offer(s) constitute Qualified Bidders to participate in Phase 2 of the SISP (the "**Qualified Bidder for Phase 2**").

[25] The CRO and/or Trustee may seek clarification with respect to the terms or conditions of any of the Non-binding Offers submitted and/or request and negotiate one or more

amendments to any of the Non-binding Offer(s) submitted prior to determining whether such Binding Offer(s) should be considered as a Qualified Offer(s) for Phase 2.

- [26] Once this determination has been made, the Trustee will notify Bidders who have submitted a Non-binding Offer whether their respective Offer constitutes a Qualified Phase 2 Offer and whether such Bidders qualify as Qualified Bidders for Phase 2.
- [27] The CRO, in consultation with the Trustee and the Lenders, is under no obligation to accept, select or qualify any Non-binding Offers submitted as a Qualified Phase 2 Offer.
- [28] To the extent that the CRO decides, in consultation with the Trustee and the Lenders, that no Non-binding Offer is submitted by the Non-binding Offer Deadline or that no Non-binding Offer constitutes a Qualified Phase 2 Offer, the CRO, in consultation with the Debtors, the Trustee and the Lenders, may decide to terminate the SISF.

Step 5: Final Due Diligence Period

- [29] Following the CRO's and Debtors' decision, in consultation with the Trustee and the Lenders, of the Qualified Bidders for Phase 2, the Trustee will restrict access to the VDR to those only, who may complete their due diligence with the goal of submitting a Binding Offer (as defined below) on or before the Binding Offer Deadline.

Step 6: Deadline for submission of Binding Offers

- [30] If a Qualified Bidder for Phase 2 wishes to submit a binding offer in respect of a Potential Transaction, it shall submit to the CRO, no later than 4:00 p.m. (Eastern Time) on August 30, 2024 (the "**Binding Offer Deadline**"), a binding offer (a "**Binding Offer**") pursuant to the following terms and conditions:
 - a) in the case of a sales proposal, the offer must be formulated on the basis of the Model Purchase Agreement communicated in the VDR, and accompanied by a comparative version, in which the modifications made to the original Model Purchase Agreement appear; or
 - b) in the case of an investment proposal, the offer must take the form of a plan or agreement describing, in detail, the structure of the proposed Potential Transaction.
- [31] A Binding Offer will be considered a Qualified Binding Offer (a "**Qualified Binding Offer**") if:
 - a) it was received before the Binding Offer Deadline;
 - b) it (i) identifies the Qualified Bidder for Phase 2 and the representatives who are authorized to appear and act on behalf of the Qualified Bidder for Phase 2 for all purposes in connection with the Potential Transaction and (ii) fully discloses the identity of each entity or person who will finance, participate in or benefit from the Potential Transaction covered by the Binding Offer;
 - c) it is a Binding Offer for the purposes of: (i) purchasing all or a portion of the Debtors' assets; and/or (ii) reorganizing the Debtors or their business, by way of investment, restructuring, reverse vesting transaction, recapitalization or

refinancing on terms and conditions that the Trustee and the Lenders consider to be acceptable;

- d) it includes a description of the specific assets to be included by the Potential Transaction and the assets to be excluded therefrom, as well as the contracts of the Debtors that the Qualified Bidder for Phase 2 wishes to assume and specifies, for each contract or set of contracts, the manner in which all monetary and non-monetary defects, as the case may be, are to be remedied under such contracts;
- e) it indicates whether the Qualified Bidder for Phase 2 requires, as part of the Potential Transaction, the signature of a transition agreement, and, if so, the terms and conditions of such a contemplated transition agreement;
- f) it indicates the purchase price or investment amount offered, the obligations of the Debtors that the Qualified Bidder for Phase 1 is offering to assume, and the Qualified Bidder for Phase 1's intentions to retain or hire the Debtors' employees or a portion thereof;
- g) it is not subject to any financing conditions;
- h) it is unconditional, except upon receipt of an approval and vesting order and compliance with the other conditions expressly set forth in the Binding Offer;
- i) it includes the Qualified Bidder for Phase 2 acknowledgements and representations that: (i) it has had the opportunity to conduct the required due diligence in respect to the Potential Transaction before submitting its Binding Offer; (ii) it relied solely on its independent review, investigations and/or inspections of the documents and/or affairs and business of the Debtors in connection with the making of its Binding Offer; (iii) it has not relied on any statement, representation or warranty in written or oral, express, implied, statutory or otherwise, as to the opportunity or completeness of the information provided in connection therewith, except as expressly set out in the Binding Offer or in any other transaction document submitted with the Binding Offer; and (iv) it shall promptly undertake any review of the contemplated Potential Transaction with any applicable governmental or regulatory authorities having jurisdiction over competition, antitrust or other relevant governmental authorities;
- j) it is irrevocable and may be accepted by the CRO up to two (2) business days after the closing date of the Successful Offer;
- k) it does not provide for any break fee or expense reimbursement;
- l) it is accompanied by a deposit in the amount of not less than ten (10)% of the purchase price related to the proposed Potential Transaction or of the total of the contemplated new investment, as applicable (the "**Deposit**");
- m) it provides written evidence, satisfactory to the CRO, in consultation with the Debtors, the Trustee and the Lenders, of its ability (i) to close the Potential Transaction by no later than the Target Closing Date, (ii) to fulfill its obligations or liabilities to be assumed at the closing of the Potential Transaction, including, without limitation, a specific indication of capital sources;

- n) if it concerns a sale of part or all of the property of the Debtors, whether as a going concern or not, it contains an indication as to the property covered by the Binding Offer, as well as an allocation as to the purchase price offered for each purchased assets; and
- o) it contains such other information as the CRO, the Debtors, the Trustee or the Lenders may reasonably request.

[32] The CRO, in consultation with the Debtors, the Trustee and the Lenders, may waive compliance with one or more of the requirements mentioned in paragraph [31].

Step 7: Selection of the Successful Offer(s)

[33] The CRO and the Debtors in consultation with the Trustee and the Lenders, will review each Binding Offer submitted to determine which offer(s) constitute(s) a Qualified Binding Offer.

[34] The CRO and/or the Trustee in consultation with the Debtors may request clarification of the terms of any Binding Offers submitted and/or request and negotiate one or more modification(s) to any Binding Offers submitted prior to determining whether such Binding Offer(s) should be considered a Qualified Binding Offer(s).

[35] The CRO and the Debtors in consultation with the Trustee and the Lenders, will then review each Qualified Binding Offer with a goal to select one or more offer(s) to be subsequently submitted to the Court for approval (the "**Successful Offer**" or "**Successful Offers**", as the case may be), all on the basis of the terms and conditions set out in each of the Qualified Binding Offers received, and, in particular, on the basis of the purchase price or investment amount offered in the Binding Offer, and the speed and certainty of closing of the Potential Transaction contemplated in the Binding Offer.

[36] The CRO, in consultation with the Debtors, the Trustee and the Lenders, is under no obligation to select as a Successful Offer the Qualified Binding Offer offering the highest purchase price or investment, nor to select any Qualified Binding Offer as a Successful Offer.

[37] In the event that more than one Qualified Binding Offer is submitted, the CRO, in consultation with the Debtors, the Trustee and the Lenders, may decide to select the Successful Offer(s) by conducting an auction, in accordance with the rules and procedures to be reasonably determined by the Trustee, in consultation with the Debtors and the Lenders, in which case the details of this auction will be announced to the Qualified Bidder for Phase 2 having submitted a Qualified Binding Offer and invite such Qualified Bidder for Phase 2 to participate in the said auction.

Step 8: Application for approval in respect of the Successful Offer(s)

[38] Once the selection of the Successful Offer(s) has been made, the Debtors shall file an application to the Court (the "**Application for Approval and Vesting Order**") to seek one or more orders for the purpose of: (i) obtaining the Court's approval, in respect of the Successful Offer(s) and the transactions set out therein; and (ii) to obtain from the Court a vesting order and/or a reverse vesting order, to the extent that the issuance of such an order is required under the circumstances, so that title to the Purchased Assets

may vest in the name of the Successful Bidder(s) and/or the Debtors' unwanted liabilities may be vested out (collectively, the "**Approval and Vesting Orders**").

- [39] The hearing of the Application for Approval and Vesting Order shall be heard on a date scheduled by the Debtors, in collaboration with the Trustee and the Lenders, and confirmed by the Court. The Debtors, with the consent of the Trustee and the Lenders, may postpone the Application for Approval and Vesting Order or set the hearing thereof for another date without further notice, by announcing the date of postponement in the Application for Approval and Vesting Order or in a notice communicated to the persons indicated on the Service List.

Deposits

- [40] The Deposits are to be held by the Trustee and deposited in a non-interest bearing trust account.
- [41] The Deposit received from a Bidder who has submitted a Successful Offer (a "**Successful Bidder**"):
- a) shall be applied to the purchase price to be paid by the Successful Bidder at closing; or
 - b) shall be refunded in accordance with the terms of the definitive documentation in respect to any Successful Offer, provided that such documentation shall provide that the Deposit will be forfeited by the Successful Bidder if the Successful Offer fails to close due to a breach or omission by the Successful Bidder to fulfill its obligations under the Successful Offer;
- [42] Deposits received from other Bidders who have not been declared to be Successful Bidders shall be refundable to such Bidders without interest, no earlier than five (5) business days after the closing date of the Successful Offer.

"As is, where is"

- [43] Any sale of the Debtors' assets or the Debtors' business will be completed on an "*as is, where is*" basis, except for representations and warranties that are customarily provided in asset purchase agreements entered into in similar contexts, it being understood that such representations and warranties will not survive after the closing of the contemplated transaction.

Free of Any and All Claims and Interests

- [44] In the event of a sale, to the extent permitted by law, all of the rights, titles and interests of the Debtors in the assets subject to the sale shall be sold free and clear of any pledge, hypothec, lien, security interest, charge, claim, option and interest thereon and there against (collectively, the "**Claims and Interests**"), such Claims and Interest shall attached to the proceeds of disposition of the assets or business of the Debtors (without prejudice to any claim or cause of action regarding its priority, validity or enforceability), unless otherwise set forth in the relevant documents relating to the transaction of the Successful Bidder.

Confidentiality

- [45] Except as required in the context of the conduct of an auction or in the context of an Application for Approval and Vesting Order, neither the Debtors, the CRO, the Trustee nor the Lenders shall disclose: (i) the identity of any Potential Bidder; or (ii) the terms of any Binding Offer, Qualified Binding Offer to any other Bidder without the consent of the party (including by way of e-mail), subject to applicable law.

Further Orders

- [46] At any time during the term of the SISP, the CRO, the Debtors, the Trustee or the Lenders may seek direction from the Court regarding the SISP and the SISP Procedures, including in particular the implementation of the SISP and the exercise of their respective powers, duties and rights under these SISP Procedures.

Additional Terms and Conditions

- [47] In addition to the other terms and conditions of the SISP Procedures:
- a) the CRO and the Trustee will, at all times and with the assistance and in consultation with the Debtors, prior to selecting the Successful Offer(s), use commercially reasonable efforts to facilitate a competitive SISP, including actively soliciting the participation of all persons who would normally be considered to be high-potential Bidders in a process such as this one or who could reasonably be proposed by the Debtors' stakeholders as high potential Bidders. However, the CRO and the Trustee are released from any liability or obligation relating to its appointment and the performance of its powers, including in connection with the SISP, with the exception of any liability or obligation arising from its gross negligence or intentional misconduct;
 - b) the consents, approvals or confirmations of the CRO, the Trustee and/or the Lenders are ineffective, unless provided in writing, and the approvals required hereunder are in addition to and not in substitution for any other approvals required by the BIA or the law in order to implement a Successful Offer. For greater certainty, consents, approvals or confirmations given by e-mail shall be deemed to have been provided in writing for the purposes of this paragraph;
 - c) prior to seeking the Court's approval in respect of any transaction or offer contemplated under this SISP, the Trustee shall provide the Court with a report on the SISP, parts of which may be filed under seal, including any Binding Offers received.

[Signature Page Follows]

Read and accepted _____ 2024.

Signing Authority

Name:

Title:

SCHEDULE A DEFINED TERMS

"Application for Approval and Vesting Order" as defined in paragraph [38].

"Approval and Vesting Orders" as defined in paragraph [38].

"BIA" as defined in the preamble.

"Binding Offer Deadline" defined in paragraph [19].

"Claims and Interests" as defined in paragraph [44].

"Court" as defined in the preamble.

"Credit Bid" means an offer in the form of a Qualified Bid, subject to paragraph [15], pursuant to which the consideration offered includes an exchange for, and in full and final satisfaction of, all or a portion of the Lenders' secured claim against the Debtors.

"CRO" means FAAN Advisors Group Inc. (Mr. Naveed Z. Manzoor), for and on behalf of the Debtors.

"Debtors" as defined in the preamble.

"Deposit" as defined in paragraph [31]l).

"Lenders" means, collectively, (a) Fiera FP Business Financing Fund, L.P., (b) Fiera Private Debt Fund V, L.P., and (c) Fiera Private Debt Fund VI, L.P.

"Model Purchase Agreement" as defined in paragraph [18].

"NDA" as defined in paragraph [11].

"Offer" as defined in paragraph [2].

"Potential Bidder" as defined in paragraph [11].

"Potential Transactions" as defined in paragraph [2].

"Qualified Bidder for Phase 1" as defined in paragraph [14].

"Qualified Bidder for Phase 2" as defined in paragraph [24].

"Qualified Binding Offer" as defined in paragraph [31].

"Qualified Non-binding Offer" as defined in paragraph [20].

"Qualified Phase 2 Offer" as defined in paragraph [24].

"SISP" as defined in the preamble.

"SISP Order" as defined in the preamble.

"SISP Procedures" as defined in the preamble.

"Successful Bidder" is defined as the Qualified Phase 2 Bidder having submitted a Successful Offer.

"Successful Offer" as defined in paragraph [35].

"Target Closing Date" as defined in paragraph [31]m).

"Trustee" as defined in the preamble.

"VDR" as defined in paragraph [9].