

**SUPERIOR COURT**  
(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
NO: 500-11- 065700-250  
DATE: May 12, 2025

COPIE CERTIFIÉE CONFORME AU  
DOCUMENT DÉTENU PAR LA COUR

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

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**PRESIDING: THE HONOURABLE CÉLINE LEGENDRE, J.S.C.**

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

**ENERKEM INC.**

-and-

**ENERKEM ALBERTA BIOFUELS G.P. INC.**

-and-

**ENERKEM LIMITED (UK)**

-and-

**ENERKEM CORPORATION (DELAWARE)**

-and-

**ENERKEM SPAIN HOLDINGS, SOCIEDAD LIMITADA (SPAIN)**

-and-

**9390-1783 QUÉBEC INC.**

Applicants

-and-

**ENERKEM ALBERTA BIOFUELS L.P.**

Mise-en-cause

-and-

**DELOITTE RESTRUCTURING INC.**

Monitor

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**INITIAL ORDER**

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**JL5327**

- [1] **ON READING** the Applicants' *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order, and an Order Approving a Sale and Investment Solicitation Process* dated May 11, 2025 (the "**Application**") filed pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"), the sworn statement and the exhibits filed in support thereof;
- [2] **CONSIDERING** the report submitted by Deloitte Restructuring Inc. ("**Deloitte**" or the "**Monitor**") in its capacity as Monitor dated May 11, 2025 (the "**First Report**");
- [3] **CONSIDERING** the consent of Deloitte, a licensed insolvency trustee, to act as Monitor;
- [4] **CONSIDERING** the notification of the Application;
- [5] **CONSIDERING** the submissions of the attorneys present at the hearing on the Application and the testimony of the witnesses heard, including counsel to the Interim Lender (as defined below) and counsel to the ad hoc committee of holders of Enerkem Canada's secured notes (the "**Ad Hoc Committee**");
- [6] **CONSIDERING** the provisions of the CCAA;

**THE COURT HEREBY:**

- [7] **GRANTS**, in part, the Application.
- [8] **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:
- I. Service
  - II. Definitions
  - III. Effective Time
  - IV. Application of the CCAA and Administrative Consolidation
  - V. Stay of Proceedings against the Applicants, the Mise-en-cause and the Property
  - VI. Stay of Proceedings against the Directors and Officers
  - VII. Possession of Property and Operations
  - VIII. No Exercise of Rights or Remedies
  - IX. No Interference with Rights
  - X. Continuation of Services
  - XI. Non-Derogation of Rights
  - XII. Interim Financing
  - XIII. Budget
  - XIV. Directors' and Officers' Indemnification and Charge
  - XV. KERP
  - XVI. Restructuring
  - XVII. Powers of the Monitor
  - XVIII. Priorities and General Provisions Relating to CCAA Charges
  - XIX. Comeback Hearing

## XX. General

I. SERVICE

- [9] **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable today and hereby dispenses with further service thereof.
- [10] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Applicants to interested parties, including the secured creditors which are likely to be affected by the charges created herein.

II. DEFINITIONS

- [11] **ORDERS** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

III. EFFECTIVE TIME

- [12] **DECLARES** that this Order and all its provisions are effective as of 12:01 a.m. Montréal time, province of Québec, on May 12, 2025 (the "**Effective Time**") and are enforceable without the need for entry and filing.

IV. APPLICATION OF THE CCAA AND ADMINISTRATIVE CONSOLIDATION

- [13] **DECLARES** that the Applicants are debtor companies to which the CCAA applies and **DECLARES** that, although not a debtor company, the Mise-en-cause (together with the Applicants, the "**Stay Parties**") shall enjoy the benefits of the protection and authorizations provided by this Order, as well as any order which may be rendered by this Court in the context of the CCAA Proceedings.
- [14] **ORDERS** the consolidation of these CCAA proceedings of the Applicants (the "**CCAA Proceedings**") under one single Court file and that all existing and future proceedings, filings, and other matters in relation to the CCAA Proceedings be filed jointly and together in Court file number 500-11-065700-250.
- [15] **DECLARES** that the consolidation of the CCAA Proceedings in respect of the Applicants shall be for administrative purposes only and shall not effect a consolidation of the assets and property or of the debts and obligations of each of the Applicants including, without limitation, for the purposes of any plan of compromise or arrangement (a "**Plan**") that may be hereafter proposed.

V. STAY OF PROCEEDINGS AGAINST THE APPLICANTS, THE MISE-EN-CAUSE AND THE PROPERTY

- [16] **ORDERS** that, until and including May 22, 2025, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), including but not limited to seizures,

executions, writs of seizure or execution, any and all actions, applications, arbitration proceedings and other lawsuits against the Stay Parties in connection with or related to, directly or indirectly (whether such Proceedings involve the Stay Parties individually or with other Persons (as defined below)) shall be commenced or continued against or in respect of any of the Stay Parties, or affecting any of the Stay Parties' business operations and activities (the "**Business**") or any of the Property (as defined herein below), including as provided in paragraph [23] herein except with leave of this Court. All Proceedings currently under way against or in respect of the Stay Parties or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to Subsection 11.1 of the CCAA.

- [17] **ORDERS** that the rights of His Majesty in right of Canada and His Majesty in right of a Province are suspended in accordance with the terms and conditions of Subsection 11.09 of the CCAA.

**VI. STAY OF PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

- [18] **ORDERS** that during the Stay Period and except as permitted under Subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Stay Parties nor against any person deemed to be a former, present or future director or an officer of any of the Stay Parties under Subsection 11.03(3) of the CCAA (each, a "**Director**" or an "**Officer**", as applicable, and collectively the "**Directors and Officers**") in respect of any claim against such Director or Officer which arose prior to the Effective Time and which relates to any obligation of the Stay Parties where it is alleged that any of the Directors and Officers is under any law liable in such capacity for the payment of such obligation.

**VII. POSSESSION OF PROPERTY AND OPERATIONS**

- [19] **ORDERS** that the Stay Parties shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof and all bank accounts (collectively the "**Property**"), the whole in accordance with the terms and conditions of this Order.
- [20] **ORDERS** that the Applicants shall be entitled but not required to pay the following expenses, whether incurred prior to or after this Order, provided that such expenses are made in accordance with the Budget (as defined below), and otherwise subject to the prior consent of the Monitor, the Interim Lender and the Ad Hoc Committee:
- (a) all outstanding and future wages, salaries, expenses, benefits and vacation pay payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any advisor or counsel retained or employed by the Applicants, the Interim Lender, and the Ad Hoc Committee in connection with these proceedings, at their standard rates and charges.

[21] **ORDERS** that the Applicants are authorized to remit or pay the following expenses, in accordance with legal requirements, provided that such expenses are made in accordance with the Budget (as defined below), and otherwise with the prior written consent of the Monitor and the Interim Lender:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Québec Pension Plan, and (iv) income taxes; and
- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants and in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order.

#### **VIII. NO EXERCISE OF RIGHTS OR REMEDIES**

[22] **ORDERS** that during the Stay Period, and subject to, *inter alia*, Subsection 11.1 of the CCAA, all rights and remedies, of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, landlord or any other entity, whether based in Canada, in the US or elsewhere (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), against or in respect of any of the Stay Parties, or affecting the Business, the Property or any part thereof, including, any contractual right of any third party to modify any of the Stay Parties' existing rights as a result of any event of default or of non-performance by the Stay Parties under any agreement (including any bond, surety, indemnity or other comparable agreement), including, without limitation, by reason of the insolvency of the Applicants, the commencement of CCAA Proceedings and/or any admissions or evidence filed by the Applicants in the CCAA Proceedings, are hereby stayed and suspended except with leave of this Court.

[23] **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Stay Parties or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Applicants, or any of them, become(s) bankrupt or a receiver as defined in Subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") is appointed in respect of the

Applicants, the period between the date of this Order and the day on which the Stay Period ends shall not be calculated in respect of the Applicants in determining the 30 day periods referred to in Subsections 81.1 and 81.2 of the BIA.

**IX. NO INTERFERENCE WITH RIGHTS**

- [24] **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, fail to renew per the same terms and conditions, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Stay Parties, except with the written consent of the Stay Parties, as applicable, and the Monitor, or with leave of this Court.

**X. CONTINUATION OF SERVICES**

- [25] **ORDERS** that during the Stay Period and subject to paragraph [27] hereof and Subsection 11.01 of the CCAA, all Persons having verbal or written agreements with the Stay Parties or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, utility or other goods or services made available to the Stay Parties, are hereby restrained until further order of this Court from discontinuing, failing to renew per the same terms and conditions, altering, interfering with, terminating the supply or, where the case may be, interrupting, delaying or stopping the transit of such goods or services as may be required by the Stay Parties, and that the Stay Parties shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Stay Parties, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Stay Parties or such other practices as may be agreed upon by the supplier or service provider and the Stay Parties, as applicable, with the consent of the Monitor, or as may be ordered by this Court.
- [26] **ORDERS** that, subject to Subsection 11.01 of the CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Stay Parties on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to make further advance of money or otherwise extend any credit to the Stay Parties.
- [27] **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by any of the Stay Parties with any Person during the Stay Period, whether in an operating account or otherwise for themselves or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person or in satisfaction of any interest or charges accruing in respect thereof;

however, this provision shall not prevent any financial institution from: (i) reimbursing themselves for the amount of any cheques drawn by the Stay Parties and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into any of the Stay Parties' accounts until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

#### **XI. NON-DEROGATION OF RIGHTS**

- [28] **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 any of the Stay Parties shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of this 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.

#### **XII. INTERIM FINANCING**

- [29] **ORDERS** that Enerkem Canada is authorized to borrow from Repsol Quimica, S.A. (in such capacity, the "**Interim Lender**"), from time to time, a maximum principal amount of up to CA\$12.5 million (the "**Interim Facility**") outstanding at any time, in accordance with and subject to the terms of the Interim Financing Term Sheet, Exhibit R-15 filed in support of the Application (the "**Interim Financing Term Sheet**"), the Budget (as defined in the Interim Financing Term Sheet) and the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of the Applicants and to pay such other amounts as are permitted by the terms of this Order, the Interim Financing Documents and the Budget.
- [30] **ORDERS** that the Obligors (as defined in the Interim Financing Term Sheet) are hereby authorized to execute and deliver the Interim Financing Term Sheet together with such other credit agreements, guarantees, security documents and other definitive documents (collectively, with the Interim Financing Term Sheet, 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 Obligors are authorized and ordered to perform all of their obligations under the Interim Financing Documents.
- [31] **ORDERS** that the Obligors shall pay to the Interim Lender or its agent, when due, all amounts owing (including principal, interest, fees and expenses, including, without limitation, all fees and disbursement of counsel and other advisors (including financial advisors) on a full indemnity basis (the "**Interim Lender's Expenses**"), subject to the terms of the Interim Financing Documents and shall perform all of their other obligations pursuant to the Interim Financing Documents and this Order.

- [32] **DECLARES** that all of the Property is hereby subject to a charge, hypothec and security for an aggregate amount of CA\$15 million (the "**Interim Lender Charge**") in favour of the Interim Lender as security for all obligations of the Obligor to the Interim Lender with respect to all amounts owing (including principal, interest and the Interim Lender's Expenses) under or in connection with the Interim Financing Documents. The Interim Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection, and shall have the priority established by paragraphs [54] and [55] of this Order.
- [33] **ORDERS** that the claims of the Interim Lender pursuant to the Interim Financing Term Sheet and any other Interim Financing Documents shall not be compromised or arranged pursuant to a Plan or any proposal (a "**Proposal**") to be filed pursuant to the BIA and, notwithstanding any provision of this Order or of any other order to be rendered in the context of these proceedings, the Interim Lender, in its capacity as lender under the Interim Financing Term Sheet, shall remain and be treated, at all times and under all circumstances, as an unaffected creditor in these proceedings and in any Plan or Proposal.
- [34] **ORDERS** that the Interim Lender may:
- (a) notwithstanding any other provision of this 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;
  - (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Applicants if any of them fail to meet the provisions of the Interim Financing Term Sheet, of the Interim Financing Documents, or of this Order or any other order which may eventually be issued by this Court;
  - (c) upon the occurrence of an event of default under the Interim Financing Documents or the Interim Lender Charge, the Interim Lender: (i) upon three business days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants and the Property under or pursuant to the Interim Financing Documents and the Interim Lender Charge, including without limitation to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants, or to seize and retain proceeds from the sale of the Property and the cash flow of the Applicants to repay amounts owing to the Interim Lender in accordance with the Interim Financing Documents; and (ii) immediately upon providing written notice of the occurrence of an event of default set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Interim Financing Documents or the Interim Lender Charge, and make demand, accelerate payment and give other notices; and

- (d) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or their Property.

[35] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs [29] to [34](b) hereof unless either (a) notice of an application for such order is served on the Interim Lender by the moving party at least seven (7) days prior to the presentation thereof or (b) the Interim Lender applies for or consents to such order.

### **XIII. BUDGET**

[36] **ORDERS** that the Budget is hereby approved and **ORDERS** the Applicants to comply with the Budget, subject to the Permitted Variance (as defined in the Interim Financing Term Sheet), in accordance with the terms of the Interim Financing Term Sheet.

### **XIV. DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

[37] **ORDERS** that the Applicants shall indemnify their respective Directors and Officers from all claims relating to any obligations or liabilities they may incur and which have accrued by reason of or in relation to their respective capacities as directors or officers of the Applicants after the Effective Time, except where such obligations or liabilities were incurred as a result of such Director's or Officer's gross negligence, willful misconduct or gross or intentional fault as further detailed in Subsection 11.51 of the CCAA.

[38] **ORDERS** that the Directors and Officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge, security and hypothec in the Property to the extent of the aggregate amount of \$1,400,000 (the "**Directors and Officers' Charge**"), as security for the indemnity provided in paragraph [37] hereof as it relates to obligations and liabilities of the Directors and Officers in such capacity which may arise after the Effective Time. The Directors and Officers' Charge shall have the priority established by paragraphs [54] and [55] of this Order.

[39] **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors and Officers' Charge, and (b) the Directors and Officers shall only be entitled to the benefit of the Directors and Officers' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors and Officers are entitled to be indemnified in accordance with paragraph [37] of this Order.

### **XV. KEY EMPLOYEE RETENTION PLAN**

[40] **ORDERS** that the terms of the key employee retention plan (the "**KERP**") reflected in Exhibit R-16 (under seal) to the Application, are hereby approved and the

Applicants are hereby authorized to implement the KERP and to make the payments contemplated therein.

- [41] **DECLARES** that the key employees referred to in the KERP (the "**Key Employees**") shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of \$850,000 to secure the amounts owing to the Key Employees under the KERP. The KERP Charge shall have the priority established by paragraphs [54] and [55] of this Order.

**XVI. RESTRUCTURING**

- [42] **DECLARES** that, to facilitate the orderly restructuring of their business and financial affairs (the "**Restructuring**") but subject to such requirements as are imposed by the CCAA, the Applicants, in consultation with the Ad Hoc Committee, shall have the right, subject to written approval of the Monitor and the Interim Lender or further order of the Court, to:

- (a) permanently or temporarily cease, downsize, or shut down any of their operations or locations as it deems appropriate;
- (b) pursue all avenues to finance or refinance, market, convey, transfer assign or in any other manner, dispose of the Business or Property, in whole or part, subject to Sections 11.3 and 36 of the CCAA, and under reserve of subparagraph [42](c);
- (c) convey, transfer, assign, lease, or in any other manner, dispose of the Property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed \$75,000 individually or \$250,000 in the aggregate;
- (d) terminate the employment of such of their employees or temporarily or permanently lay off such of their employees as the Applicants deem appropriate;
- (e) subject to the provisions of Section 32 of the CCAA, disclaim or resiliate, any of the Applicants' agreements, contracts, or arrangements of any nature whatsoever; and
- (f) subject to Subsection 11.3 of the CCAA, assign any rights and obligations of the Applicants.

- [43] **DECLARES** that, in order to facilitate the Restructuring, the Applicants, with the Interim Lender, the Ad Hoc Committee and the Monitor, or further order of the Court, may also settle claims of creditors, customers and suppliers that are in dispute, provided that to the extent that any expenses are to be incurred in connection with the settlement of such claims, such expenses must be made in

strict accordance with the Budget, or otherwise with the prior written consent of the Interim Lender and the Ad Hoc Committee.

- [44] **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of any of the Applicants pursuant to Section 32 of the CCAA and Subsection [42](e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Applicants and the Monitor 24 hours' prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Applicants, provided nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.
- [45] **ORDERS** that the Applicants shall provide to any relevant landlord notice of any of Applicants' intention to remove any fittings, fixtures, installations, or leasehold improvements at least seven (7) days in advance. If the Applicants have already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between the Applicants and the landlord.
- [46] **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5 and equivalent provisions of the *Act Respecting the Protection of Personal Information in the Private Sector*, RSQ, c. P-39.1, the Applicants are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of a Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Applicants binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Applicants or destroyed. If a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of a Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Applicants.

**XVII. POWERS OF THE MONITOR**

[47] **ORDERS** that Deloitte is hereby appointed to monitor the business and financial affairs of the Applicants as an officer of this Court and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

- (a) shall, as soon as practicable, (i) publish once a week for two (2) consecutive weeks or as otherwise directed by the Court, in *La Presse* and the *Globe and Mail National Edition* and (ii) within five (5) business days after the date of this Order (A) post on the Monitor's website a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against the Applicants of more than \$10,000, advising them that this Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Subsection 23(1)(a) of the CCAA and the regulations made thereunder;
- (b) shall monitor the Applicants' receipts and disbursements and compliance with the Budget;
- (c) shall assist the Applicants, to the extent required by the Applicants, in dealing with their creditors and other interested Persons during the Stay Period;
- (d) shall assist the Applicants, to the extent required by the Applicants, with the preparation and dissemination of their cash flow projections and any other projections or reports to the Interim Lender and the Ad Hoc Committee in accordance with the Interim Financing Term Sheet;
- (e) shall advise and assist the Applicants, to the extent required by the Applicants, to review the Applicants' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- (f) shall assist the Applicants, to the extent required by the Applicants, with the Restructuring and in their negotiations with their creditors and other interested Persons and with the holding and administering of any meetings held to consider a Plan;
- (g) shall report to the Court on the state of the business and financial affairs of the Applicants or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order and may file consolidated reports for the Applicants;
- (h) shall report to the Interim Lender and the Ad Hoc Committee, as required by the Interim Financing Term sheet, including on the state of the

operations, business and financial affairs of the Applicants or developments in these proceedings or any related proceedings, including with respect to any solicitation efforts to be made in connection with the Applicants' Property;

- (i) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of this Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- (j) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under this Order or under the CCAA;
- (k) may give any consent or approval as may be contemplated by the Order or the CCAA;
- (l) may hold and administer funds in connection with arrangements made among the Applicants, any counterparties and the Monitor, or by Order of this Court; and
- (m) may perform such other duties as are required by this Order or the CCAA or by this Court from time to time.

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

[48] **ORDERS** that, without limiting the generality of anything herein, the Applicants and their Directors, Officers, employees and agents, accountants, auditors and all other Persons having notice of this Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Applicants in connection with the Monitor's duties and responsibilities hereunder.

[49] **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Applicants with information in response to requests made by them in writing addressed to the Monitor and copied to the counsel for the Applicants. In the case of information that the Applicants have advised the Monitor as being confidential, proprietary, or competitive, the Monitor shall not provide such information to any Person without the consent of the Applicants unless otherwise directed by this Court.

- [50] **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Applicants or continues the employment of the Applicants' employees, the Monitor shall benefit from the provisions of Subsection 11.8 of the CCAA.
- [51] **DECLARES** that Section 215 of the BIA applies *mutatis mutandis*, and no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out of the provisions of any order of this Court, except with prior leave of this Court, on at least seven (7) days' notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.
- [52] **ORDERS** that the Applicants shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel and the Applicants' legal counsel, directly related to these proceedings, whether incurred before or after this Order, and shall be authorized to provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.
- [53] **DECLARES** that the Monitor, the Monitor's legal counsel (Osler, Hoskin & Harcourt LLP), and the legal counsel for the Applicants (Stikeman Elliott LLP) and the Ad Hoc Committee Advisors (as defined in the Interim Financing Term Sheet), as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, be entitled to the benefit of and are hereby granted a charge, hypothec and security in the Property, to the extent of the aggregate amount of \$200,000 (the "**Administration Charge**"), having the priority established by paragraphs [54] and [55] of this Order;

**XVIII. PRIORITIES AND GENERAL PROVISIONS RELATING TO CCAA CHARGES**

- [54] **DECLARES** that the priorities of the Administration Charge, the Directors and Officers' Charge, the KERP Charge and the Interim Lender Charge (collectively, the "**CCAA Charges**"), as between such CCAA Charges with respect to any Property to which they apply, shall be as follows:
- (a) first, the Administration Charge;
  - (b) second, the Directors and Officers' Charge; and
  - (c) third, the KERP Charge; and
  - (d) fourth, the Interim Lender Charge.
- [55] **DECLARES** that each of the CCAA Charges shall rank in priority to any and all claims, rights, hypothecs, mortgages, liens, security interests, priorities, charges, deemed trusts, encumbrances or security of whatever nature or kind, whether or not they have been registered, published or filed (collectively, "**Encumbrances**") affecting the Property charged by such Encumbrances.

- [56] **ORDERS** that, except as otherwise expressly provided for herein, the Applicants shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Applicants, as applicable, obtain the prior written consent of the Monitor, the Interim Lender and the Ad Hoc Committee and the prior approval of the Court.
- [57] **DECLARES** that each of the CCAA Charges shall attach, having the priority established by paragraphs [54] and [55] of this Order, as of the Effective Time, to all present and future Property of the Applicants, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
- [58] **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of the CCAA Charges, as applicable, shall be valid and enforceable and not otherwise be limited or impaired in any way by: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of any of the Applicants; or (iii) 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 Applicants (a "**Third-Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:
- (a) the creation of any of the CCAA Charges shall not create nor be deemed to constitute a breach by the Applicants of any Third-Party Agreement to which any of the Applicants is a party; and
  - (b) the beneficiaries of the CCAA Charges shall not have any 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 CCAA Charges.
- [59] **DECLARES** that notwithstanding: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of any of the Applicants; and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by any of the Applicants pursuant to this Order and the granting of the CCAA 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.
- [60] **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Applicants charged by the CCAA Charges and against all Persons,

including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver any of the Applicants.

**XIX. COMEBACK HEARING**

- [61] **ORDERS** that a full comeback hearing on the relief sought in the Application shall take place on May 22, 2025, at 9:30 AM in a room of the Montréal Courthouse to be communicated to the Service List or at any other date, time and place determined by the Court and to be communicated to the Service List.

**XX. GENERAL**

- [62] **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors and Officers, employees, legal counsel or financial advisors of the Applicants or of the Monitor in relation to the Business or Property of the Applicants, without first obtaining leave of this Court, upon ten (10) days' written notice to the Applicants counsel, the Monitor's counsel, and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.
- [63] **DECLARES** that this Order and any proceeding or sworn statement leading to this Order, shall not, in and of themselves, constitute a default or failure to comply by the Applicants under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.
- [64] **DECLARES** that, except as otherwise specified herein, the Applicants and the Monitor 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 Applicants 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 (3) business days after mailing if by ordinary mail.
- [65] **DECLARES** that the Applicants and any party to the proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing an electronic copy of such materials to counsels' email addresses as provided for on the Service List.
- [66] **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on counsel for the Applicants and counsel for the Monitor and has filed such notice with this Court, or appears on the Service List, save and except when an order is sought against a Person not previously involved in these proceedings.

- [67] **DECLARES** that the Applicants or the Monitor 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 this Order on notice only to each other.
- [68] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [69] **AUTHORIZES** the Applicants or the Monitor to apply as they may consider necessary or desirable, with prior written approval of the Interim Lender and the Ad Hoc Committee, with or without notice, to any other court or administrative body, whether in Canada, the United States of America, or elsewhere, for orders which aid and complement this Order and any subsequent orders of this Court, including, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Applicants and the Monitor as may be deemed necessary or appropriate for that purpose.
- [70] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby requested to make such orders and to provide such assistance to the Applicants, and the Monitor as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or the authorized representative of the Applicants in any foreign proceeding, to assist the Applicants, and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.
- [71] **ORDERS** that the Applicants' audited consolidated financial statements for the year ended December 31, 2023 (Exhibit R-13), the Applicants' unaudited consolidated financial statements for the year ended December 31, 2024 (Exhibit R-14), and the List of KERP participants and amounts (Exhibit R-16 and Appendix B to the First Report) are confidential and are filed under seal until further representations at the comeback hearing, May 22, 2025 with regard to Exhibits R-13 and R-14.
- [72] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without security.
- [73] **THE WHOLE WITHOUT COSTS.**

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DOCUMENT DÉTENU PAR LA COUR

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

*Céline Legendre*  
The Honourable Céline Legendre, J.S.C.