

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE
No. 700-11-022385-241
DATE: June 25, 2025

PRESIDING: THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C.

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

NORTHERN GENESIS ACQUISITION CORP.

- and -

LION ELECTRIC FINANCE USA INC.

- and -

9541-1666 QUÉBEC INC.

- and -

9541-1799 QUÉBEC INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor/Petitioner

-and-

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS
(Québec)**

Mis-en-Cause

APPROVAL OF AUCTION SALE AND VESTING ORDER

- [1] **ON READING** the Monitor's *Motion of the Issuance of an Approval of Auction Sale and Vesting Order* dated June 18, 2025 (the "**Motion**"), the affidavit and the exhibits in support thereof, including the Monitor's Sixth Report dated June 19, 2025 (**R-3**);
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of the attorneys present at the hearing on the Motion;
- [4] **SEEING** that it is appropriate to issue an order:
- a) approving the execution and entering into the Auction Commission Agreement dated June 6, 2025, between Workingman Capital Corp. ("**WCC**" or the "**Auctioneer**") and the Monitor (the "**Auction Agreement**") communicated as Exhibit R-1 (under seal) to the Motion, pursuant to which an auction (the "**Auction**") for the assets of 9541-1799 Québec Inc. ("**ResidualCo**") described in Exhibit A to the Auction Agreement will be held (the "**Battery Plant Assets**" and each a "**Battery Plant Asset**");
 - b) authorizing the Auctioneer to conduct the Auction; and
 - c) vesting in the successful purchasers at such Auction (the "**Auction Purchasers**" and each an "**Auction Purchaser**") the right, title and interests to the respective Battery Plant Assets they acquired (each an "**Auction Sale**").

WHEREFORE THE COURT:

- [5] **GRANTS** the Motion;

SERVICE

- [6] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
- [7] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [8] **ORDERS AND DECLARES** that the Auction Agreement is hereby approved, and the execution of the Auction Agreement by the Auctioneer and the Monitor on behalf of ResidualCo is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor.
- [9] **ORDERS AND DECLARES** that the Monitor or the Auctioneer, with the Monitor's consent, are hereby authorized to take such additional steps and execute such additional actions, agreements, contracts, deeds or such other documents as may be necessary or desirable as part of the Auction contemplated by the Auction Agreement for the completion or adjudication of the Battery Plant Assets, or any part thereof, to an Auction Purchaser.

EXECUTION OF DOCUMENTATION

- [10] **AUTHORIZES** the Monitor and the Auctioneer to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Auction Agreement (Exhibit **R-1**) and any other ancillary document which could be required or useful to give full and complete effect thereto.

AUTHORIZATION

- [11] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Monitor and the Auctioneer to proceed with the Auction Agreement and with the Auction and sale thereto of the Battery Plant Assets and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF BATTERY PLANT ASSETS

- [12] **ORDERS** and **DECLARES** that, upon completion of the sale of any Battery Plant Asset to an Auction Purchaser, and upon the Auctioneer's receipt of the full purchase price for such Battery Plant Asset from the Auction Purchaser and delivery by the Auctioneer of an invoice, receipt or such other evidence of the sale of such Battery Plant Asset, all of ResidualCo's rights, title and interest in and to the Battery Plant Assets shall vest absolutely in and to the Auction Purchaser or Auction Purchasers thereof, or its nominee, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, charges, hypothecs, deemed trusts, judgments, writs of seizure or execution, notices of sale, contractual rights relating to the Property, encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, hypothecs or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec* in movable property registry, including those resulting from the hypothecs registered and listed in **Schedule "A"** in connection with the Battery Plant Assets.
- [13] **ORDERS** and **DECLARES** that upon the completion of the Auction, the Monitor shall issue a Monitor's certificate substantially in the form appended as **Schedule "B"** hereto (the "**Certificate**"), and, for greater certainty, **ORDERS** that upon the issuance of the Certificate, all of the Encumbrances affecting or relating to the Battery Plant Assets sold as part of the Auction be cancelled and discharged as against the Battery Plant Assets, in each case effective as of the applicable time and date of each Auction Sale.
- [14] **DECLARES** that upon issuance of the Certificate, all sales of the Battery Plant Assets performed in the course of the Auction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the *Code of Civil Procedure* and a forced sale as per the provisions of the *Civil Code of Québec*.
- [15] **ORDERS** and **DIRECTS** the Monitor to file with the Court a copy of the Certificate, forthwith after issuance thereof.

NET PROCEEDS

- [16] **ORDERS** that the proceeds from the sale of the Battery Plant Assets net of the fees and costs payable pursuant to the Auction Agreement (the “**Net Proceeds**”) shall be remitted to the Monitor and shall be distributed in accordance with applicable legislation.
- [17] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Battery Plant Assets shall stand in the place and stead of the Battery Plant Assets, and that upon the Auctioneer’s receipt of the full purchase price for such Battery Plant Asset from the Auction Purchaser and delivery by the Auctioneer of an invoice, receipt or such other evidence of the sale of such Battery Plant Asset, all Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the related Battery Plant Assets immediately prior to the sale, as if the Battery Plant Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

VALIDITY OF THE AUCTION AGREEMENT

- [18] **ORDERS** that notwithstanding:
- (i) the pendency of these proceedings;
 - (ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (“**BIA**”) and any order issued pursuant to any such petition; or
 - (iii) the provisions of any federal or provincial legislation;

the vesting of the Battery Plant Assets contemplated in this Order, as well as the execution of the Auction Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Auctioneer, the Auction Purchasers or the Monitor.

LIMITATION OF LIABILITY

- [19] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Battery Plant Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Battery Plant Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.
- [20] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

- [21] **ORDERS** that the Auction Purchasers or the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [22] **ORDERS** that the Auction Agreement be kept confidential and under seal until the earlier of a) the closing of the Auction Agreement; or b) further order of this Court.
- [23] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [24] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;
- [25] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever;

THE WHOLE WITHOUT COSTS.

MICHEL A. PINSONNAULT, J.S.C.
JP1736

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SCHEDULE “A”

- a) hypothec published on July 2023 at the Québec Personal and Movable Real Rights Registrar (“**RPMRR**”) under number 23-0835934-0002 (the “**Mach Hypothec**”) granted by Lion Electric to Mach, as hypothecary representative and collateral agent of the secured debentures holders on, *inter alia*, the universality of the movables of Lion Electric;
- b) hypothec published on July 31, 2018, at the RPMRR under number 18-0835130-0002 granted by Lion Electric (under its previous name, Autobus Lion Inc.) to Intact Compagnie d’Assurance on, *inter alia*, the universality of the equipment of Lion Electric;
- c) hypothec published on August 9, 2021, at the RPMRR under number 21-0860108-0001 granted by Lion Electric to Banque Nationale du Canada (“**BNC**”) on, *inter alia*, the universality of the movables and immovables of Lion Electric;
- d) hypothec published on January 25, 2022, at the RPMRR under number 22-0070716-0001 granted by Lion Electric to BNC on, *inter alia*, the universality of the movables and immovables of Lion Electric;
- e) hypothec published on June 21, 2022, at the RPMRR under number 22-0684442-0001 granted by Lion Electric to Investissement Québec on, *inter alia*, the universality of the movables of Lion Electric; and
- f) hypothec published on November 3, 2022, at the RPMRR under number 22-1221753-0001 granted by Lion Electric to Fonds Finalta Capital, s.e.c. on, *inter alia*, the universality of the movables of Lion Electric.

SCHEDULE "B"
DRAFT CERTIFICATE OF THE MONITOR

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE
No.: 700-11-022385-241

SUPERIOR COURT
Commercial Division

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

NORTHERN GENESIS ACQUISITION CORP.

- and -

LION ELECTRIC FINANCE USA INC.

- and -

9541-1666 QUÉBEC INC.

- and -

9541-1799 QUÉBEC INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor/Petitioner

CERTIFICATE OF THE MONITOR

RECITALS:

WHEREAS on December 18, 2024, the Superior Court of Québec, Commercial Division (the "**Court**") issued a "first day" initial order (the "**First Day Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of The Lion Electric Company, Lion Electric Finance Canada Inc., Lion Electric Vehicle Finance Canada Inc., Lion Electric Holding USA Inc., Northern Genesis Acquisition Corp., The Lion Electric Co. USA Inc., Lion Electric Manufacturing USA Inc., and the Lion Electric Finance USA Inc. (the "**Initial Debtors**");

WHEREAS pursuant to the terms of the First Day Order, Deloitte Restructuring Inc. was appointed as the monitor of the Debtors (in such capacity, the "**Monitor**");

WHEREAS on December 18, 2024, the Court issued a Sale and Investment Solicitation Process Order;

WHEREAS on January 7, 2025, the Court issued an Amended and Restated Initial Order, on February 12, 2025, the Court issued a Second Amended and Restated Initial Order, and on April 3, 2025, and April 25, 2025, the Court issued a Stay Extension Order;

WHEREAS on May 22, 2025, the Court issued an Order (the “**Reverse Vesting Order**”), which provided for, *inter alia*:

- a) The approval of the Subscription Agreement and Transactions, as defined in the Reverse Vesting Order;
- b) The vesting of the Excluded Contracts and Excluded Liabilities of Lion Electric, Lion Electric Finance Canada Inc., Lion Electric Vehicle Finance Canada Inc., Lion Electric Co. USA Inc., Lion Electric Holding USA Inc. and Lion Electric Manufacturing USA Inc. (the “**Lion Entities**”) to 9541-1666 Québec Inc. (“**NewCo**”) and the Vesting of the Excluded Assets of the Lion Entities to 9541-1799 Québec Inc. (“**ResidualCo**”, and, together with NewCo, the “**Excluded Cos.**”); and
- c) The addition of Excluded Cos. as Debtors in the CCAA Proceedings and the removal and release of the Lion Entities as Debtors in the CCAA Proceedings;

WHEREAS on June 25, 2025, the Court issued an Order (the “**Vesting Order**”) thereby, *inter alia*, authorizing and approving the execution by the Monitor of an agreement entitled *Auction Commission Agreement* dated June 6, 2025, between Workingman Capital Corp. (“**WCC**”) and the Monitor (the “**Auction Agreement**”), a copy of which was filed in the Court record, and the Auction contemplated therein (the “**Auction**”) with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor.

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Monitor once the (a) the Auction Agreement has been executed and delivered; (b) the Auction has taken place and the Battery Plant Assets have been sold; (c) the Net Proceeds (as defined in the Vesting Order) for the Battery Plant Assets have been paid by each respective Auction Purchaser and remitted to the Monitor; and (c) and all the conditions to the closing of the Auction have been satisfied or waived by the parties thereto.

THE MONITOR CERTIFIES THE FOLLOWING:

- (a) the Auction Agreement has been executed and delivered;
- (b) the Auction has taken place and the Battery Plant Assets have been sold;
- (c) the Purchase Price payable upon the closing of the Auction and all applicable taxes have been paid; and
- (d) all conditions to the closing of the Auction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Monitor at ____ [TIME] on _____ [DATE].

Deloitte Restructuring Inc., in its capacity as court-appointed monitor of the Debtors and not in its personal or corporate capacity.

Name: _____

Title: _____
