

**SUPERIOR COURT
(Commercial Division)**

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE

No.: 700-11-022385-241

DATE: December 18, 2024

BEFORE THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C.

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT 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.
LION ELECTRIC FINANCE USA INC.**

Debtors/Applicants

And

DELOITTE RESTRUCTURING INC.
Monitor

SALE AND INVESTMENT SOLICITATION PROCESS ORDER

- [1] **CONSIDERING** the Debtors' *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order* of the Debtors pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), dated December 17, 2024 (the "**Application**"), and the exhibits and the affidavit of Richard Coulombe, filed in support thereof;

- [2] **CONSIDERING** the Pre-Filing Report of Deloitte Restructuring Inc. ("**Deloitte**" or the "**Monitor**") dated December 17, 2024, in its capacity as proposed Monitor;
- [3] **CONSIDERING** the submissions of counsel present at the hearing on the Application and the testimony of the representative of the proposed Monitor;
- [4] **GIVEN** the Initial Order rendered on December 18, 2024 (the "**First-Day Initial Order**"), **GIVEN** the provisions of the CCAA;

THE COURT HEREBY:

- [5] **GRANTS** the Application.

Definitions

- [6] **DECLARES** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the SISP Procedures (as defined below).

Service

- [7] **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.
- [8] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by Debtors to interested parties.
- [9] **PERMITS** the service of the present Order (this "**Order**") at any time and place and by any means whatsoever, including by email.

SISP Approval

- [10] **APPROVES** and **RATIFIES** the conduct of a sale and investment solicitation process (the "**SISP**") in respect of the Debtors, as set forth in the Procedures for the Sale and Investment Solicitation Process attached as Schedule A hereto (the "**SISP Procedures**").
- [11] **AUTHORIZES** the Debtors and the Monitor (collectively, the "**SISP Team**"), in consultation with the Interim Lenders and with the assistance of the Financial Advisor (as defined herein), to conduct and implement the SISP and **AUTHORIZES** the SISP Team 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** that the Debtors, the Monitor and the Financial Advisor are authorized and permitted under applicable law to disclose and transfer to Potential Bidders

and to their Representatives (as defined below) information in the custody or control of the Debtors relating to the assets, operations and business of the Debtors, including personal information such as human resources and payroll information, records pertaining to the Debtors' past and current employees, and information about any consumer, website visitor or other individual (collectively, "**Confidential Information**"), but only to the extent necessary to negotiate, determine whether to proceed with, and attempt to complete a transaction in accordance with the SISP (a "**Transaction**"). Each Potential Bidder to whom any Confidential Information is disclosed shall maintain and protect the Confidential Information with security safeguards appropriate to the sensitivity of the Confidential Information and as may otherwise be required by applicable federal or provincial privacy legislation and limit the use of such information to its evaluation, negotiation and completion of a Transaction, and if it does not complete a Transaction with the Debtors, they shall return all such information to the Debtors, or in the alternative permanently destroy all such information.

- [13] **ORDERS** that the Debtors, the Monitor and the Financial Advisor, and each of their respective affiliates, related persons or entities, partners, directors, officers, employees, agents, controlling persons, lenders, legal counsel and advisors (collectively, the "**Representatives**") 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.

- [14] **DECLARES** that in addition to any other protections afforded under any Order of this Court, no action or other proceedings shall be commenced against the SISP Team, the Financial Advisor or any of their Representatives in connection with the SISP, its conduct thereunder or the carrying out of the provisions of any order of this Court, except with prior leave of this Court, on at least ten (10) days' notice to the Debtors, the Monitor and their respective counsel.

- [15] **ORDERS** that, subject to the terms of the SISP Procedures and the restrictions set out therein, the Senior Secured Creditors shall be entitled to receive copies of any and all offers received in the context of the SISP by the SISP Team, and any transaction in respect of any of the Debtors' business operations and activities, or any 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, will be subject to the Interim Lenders' prior written approval, acting reasonably, and to the approval of this Court.

Engagement of the Financial Advisor and Financial Advisor Charge

- [16] **APPROVES** and **RATIFIES** the engagement letter (the "**Financial Advisor Engagement Letter**") entered into between National Bank Financial Inc. ("**NBF**")

or the “**Financial Advisor**”) and The Lion Electric Company (Exhibit R-12 filed, *under seal*, in support of the Application).

- [17] **AUTHORIZES** The Lion Electric Company to execute the Financial Advisor Engagement Letter.
- [18] **AUTHORIZES** The Lion Electric Company to perform any obligations under the Engagement Letter and to take any action that could be necessary or useful to give full effect to the terms of the Engagement Letter.
- [19] **AUTHORIZES** NBF to act as Financial Advisor in the context of the SISP in accordance with the SISP Procedures.
- [20] **DECLARES** that all of the Property (as such term is defined in the Initial Order) of the Debtors is hereby subject to a charge, hypothec and security for an aggregate amount of USD\$4,000,000 (the “**Financial Advisor Charge**”) in favour of the Financial Advisor as security for the payment of the amounts which may become owing pursuant to the Financial Advisor Engagement Letter. The Financial Advisor Charge shall rank in accordance with the priorities set out in the Initial Order.

General

- [21] **ORDERS** that the Debtors, the Monitor and the Interim Lenders may from time to time apply to this Court for advice and directions in respect of the SISP and/or the discharge of their respective powers and duties hereunder or under the SISP.
- [22] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America and any court or administrative body elsewhere, to give effect to this Order and to assist the Debtors, the Monitor and their respective Representatives in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Debtors and the Monitor as may be necessary or desirable to give effect to this Order, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.
- [23] **DECLARES** that The Lion Electric Company, as foreign representative of the Debtors, shall be authorized to apply, before the United States Bankruptcy Court for the District of Delaware, for an order recognizing this Order and any further relief that may be required in respect of the Debtors under Chapter 15 of the United States Bankruptcy Code.
- [24] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.

[25] **THE WHOLE WITHOUT COSTS.**

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

Date of hearing: December 18, 2024

Schedule A
SISP Procedures

See attached.

PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

Preamble

- A. On December 18, 2024, The Lion Electric Company (the “**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 Lion Electric Finance USA Inc. (collectively, the “**Debtors**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Superior Court of Québec (Commercial Division) in the District of Terrebonne (the “**Court**”) pursuant to an Initial Order rendered by the Court on the same day (collectively, as further amended or restated from time to time, the “**Initial Order**”).
- B. On the same day, the Court also issued a Sale and Investment Solicitation Process Order (the “**SISP Order**”) that, among other things, authorized the Debtors to implement a sale and investment solicitation process (“**SISP**”) in accordance with the procedures set out herein (the “**SISP Procedures**”).
- C. These SISP Procedures set out the manner in which (i) binding bids for executable transaction alternatives involving the shares and/or the business, property and assets of the Debtors (collectively, the “**Business**”) will be solicited from interested parties, and any such bids received will be addressed, (ii) any Successful Bid (as defined below) will be selected, and (iii) Court approval of any Successful Bid will be sought. Such transactions may include, among other things, a sale of some or all of the Business and/or an investment in the Business, each of which shall be subject to all terms set forth in this SISP.
- D. The SISP shall be conducted by the Debtors, under the supervision of the board of directors of the Company and/or the special committee of the board of directors of the Company (the “**Special Committee**”), and Deloitte Restructuring Inc., in its capacity as court-appointed monitor (the “**Monitor**”, together with the Debtors, the “**SISP Team**”), in consultation with the National Bank of Canada, Fédération des Caisses Desjardins du Québec and Bank of Montreal (collectively, the “**Interim Lenders**”) and with the assistance of National Bank Financial Inc. (in such a role, the “**Financial Advisor**”).
- E. Parties who wish to have their bids considered shall be expected to participate in the SISP as conducted by the SISP Team, in accordance with the present SISP Procedures, which shall govern the SISP, including the solicitation of Sale Proposals and Investment Proposals.

Defined Terms

- 1. Capitalized terms used in this SISP have the meanings given thereto in Appendix A.

SISP Procedures

Opportunity

2. The SISP is intended to solicit interest in, and opportunities for: (i) one or more sales or partial sales of all, substantially all, or certain portions of the Business; and/or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Debtors or their Business. Bids considered pursuant to the SISP may include one or more of the potential transactions referred to in clauses (i) and (ii) of this paragraph (collectively, the “**Opportunity**”),
3. The SISP Procedures describe the manner in which prospective bidders may gain access to due diligence materials concerning the Debtors and the Business, the manner in which bidders may participate in the SISP, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the requisite approvals to be sought from the Court in connection therewith. The SISP Team shall conduct the SISP in the manner set forth herein.
4. The SISP Team, with the prior written approval of the Interim Lenders, may at any time and from time to time, modify, amend, vary or supplement the SISP or the SISP Procedures, without the need for obtaining an order of the Court, provided that the Monitor determines that such modification, amendment, variation or supplements are useful in order to give effect to the substance of the SISP, the SISP Procedures, the SISP Order and the Initial Order.
5. The Monitor shall post on the Monitor’s website, as soon as practicable, any such modification, amendment, variation or supplement to the SISP Procedures and the SISP Team or the Financial Advisor shall inform the bidders impacted by such modifications.
6. In the event of a dispute as to the interpretation or application of the SISP or SISP Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.
7. As more particularly set out herein, a summary of the key dates pursuant to the SISP is as follows:¹

¹ All capitalized items not already defined are defined further below. Titles in the chart are for presentation purposes only.

<u>Event</u>	<u>Date</u>
PHASE 1	
1. <u>Solicitation Letter</u> Financial Advisor to distribute Solicitation Letter to potentially interested parties	By no later than January 7, 2025
2. <u>CIM and VDR</u> Debtors to prepare and have available for parties having executed the NDA (Potential Bidders) the CIM and VDR	By no later than January 7, 2025
3. <u>Phase 1 Qualified Bidders & Bid Deadline</u> Phase 1 Bid Deadline (for delivery of non-binding LOIs by Phase 1 Qualified Bidders in accordance with the requirement of paragraph 10 of the SISP Procedures)	By no later than February 5, 2025, at 5:00 p.m. (prevailing Eastern Time)
4. <u>Phase 1 Satisfactory Bid</u> Financial Advisor to notify each Phase 1 Qualified Bidder in writing as to whether its bid constituted a Phase 1 Satisfactory Bid	By no later than February 7, 2025, at 5:00 p.m. (prevailing Eastern Time)
PHASE 2	
5. <u>Phase 2 Bid Deadline & Qualified Bidders</u> Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 24 of the SISP Procedures)	By no later than March 7, 2025, at 5:00 p.m. (prevailing Eastern Time)
6. <u>Auction(s)</u> Auction(s) (if needed)	Week of March 10, 2025
7. <u>Selection of final Successful Bid(s)</u> Deadline for selection of final Successful Bid(s)	By no later than March 19, 2025, at 5:00 p.m. (prevailing Eastern Time)
8. <u>Definitive Documentation</u> Completion of definitive documentation in respect of Successful Bid(s)	Week of March 24, 2025

<u>Event</u>	<u>Date</u>
9. <u>Approval Application—Successful Bid(s)</u> Filing of Approval Application in respect of Successful Bid(s)	Week of March 31, 2025
10. <u>Closing—Successful Bid(s)</u> Anticipated deadline for closing of Successful Bid(s)	Week of April 7, 2025, or such earlier date as is achievable
11. <u>Outside Date—Closing</u> Outside Date by which the Successful Bid must close	April 23, 2025

Solicitation of Interest: Notice of the SISP

8. As soon as reasonably practicable after the granting of the SISP Order:
 - (a) a notice of the SISP and such other relevant information which the SISP Team considers appropriate shall be published in La Presse+ and The Globe & Mail and such other publications as may be considered appropriate; and
 - (b) a press release setting out the notice and such other relevant information regarding the Opportunity as may be considered appropriate shall be issued with Canada Newswire designating dissemination in Canada.
9. The Financial Advisor shall send to potential bidders, as soon as practical after the granting of the SISP Order, a letter describing the Opportunity (a “**Solicitation Letter**”), outlining the salient elements of the SISP and inviting recipients of the Solicitation Letter to express their interest pursuant to the SISP.

Virtual Data Room

10. By no later than January 7, 2024, a confidential virtual data room (the “**VDR**”) in relation to the Opportunity will be made available by the SISP Team or the Financial Advisor to Potential Bidders that have executed the NDA (as defined below) in accordance with paragraph 11 herein. Following the completion of “Phase 1”, but prior to the completion of “Phase 2”, additional information may be added to the VDR to enable Phase 2 Qualified Bidders to complete any confirmatory due diligence in respect of the Debtors and the Opportunity. The SISP Team may establish or cause the Financial Advisor to establish separate VDRs (including “**Clean Rooms**”), if the SISP Team determines that doing so would further the Debtors’ and any Potential Bidders’ compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive

competitive information. The SISP Team, in consultation with the Financial Advisor, may also limit the access of any Potential Bidder to any confidential information in the VDR where the SISP Team reasonably determines that such access could negatively impact the SISP, the ability to maintain the confidentiality of the information, the Business or its value.

PHASE 1: NON-BINDING LOIs

Phase 1 Qualified Bidders and Delivery of Confidential Information Memorandum

11. In order to participate in the SISP, and prior to the distribution of any confidential information to an interested party (including access to the VDR), such an interested party must deliver to the Financial Advisor an executed non-disclosure agreement in form and substance satisfactory to the Debtors (each, an “**NDA**”). Pursuant to the terms of the NDA to be signed by a potential bidder (each potential bidder who has executed an NDA with the Debtors a “**Potential Bidder**”), each Potential Bidder will confirm that it agrees to be bound by the SISP Order and these SISP Procedures, and that it will be prohibited from communicating with any other Potential Bidder or any of the Debtors’ creditors regarding the Opportunity during the term of the SISP, without the consent of the SISP Team. Prior to the Debtors executing an NDA with any potential bidder, any potential bidder may be required to provide evidence, reasonably satisfactory to the SISP Team and the Financial Advisor, of its financial wherewithal to complete a transaction in respect of the Opportunity (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and/or to disclose details of their ownership and/or investors, and whether the potential bidder has any direct or indirect interest in the Debtors (including through equity, debt, convertible rights or any other rights) or in any of the Debtors’ creditors. For the avoidance of doubt, a party who has executed an NDA or a joinder with a Potential Bidder for the purpose of providing financing to a Potential Bidder in connection with the Opportunity (such party a “**Financing Party**”) shall not be deemed a Potential Bidder for purposes of the SISP, provided that such Financing Party undertakes to inform the SISP Team in the event that it elects to act as a Potential Bidder.
12. A Potential Bidder that has executed an NDA and provided any additional information required pursuant to paragraph 11 will be deemed a “**Phase 1 Qualified Bidder**” and will be promptly notified of such classification by the Financial Advisor.
13. The Financial Advisor, in consultation with the SISP Team, will prepare (with the oversight of the Monitor) and send to each Phase 1 Qualified Bidder a confidential information memorandum providing additional information considered relevant to the Opportunity (a “**CIM**”) as soon as practicable. The Debtors, the Financial Advisor, the Monitor and each of their respective affiliates, related persons or entities, partners, directors, officers, employees, agents, controlling persons, lenders, legal counsel and advisors (collectively, the “**Representatives**”) make no

representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP.

14. The Financial Advisor shall provide any person deemed to be a Phase 1 Qualified Bidder with access to the VDR. The Debtors, the Financial Advisor, the Monitor and their respective Representatives make no representation or warranty as to the information contained in the VDR.
15. If a Phase 1 Qualified Bidder wishes to submit a bid, it must deliver a non-binding letter of intent (an « **LOI** ») (each such LOI, provided in accordance with paragraph 16 below, a “**Phase 1 Qualified Bid**”), to the Financial Advisor at the address specified in Appendix B hereto (including by email) so as to be received by the Financial Advisor not later than 5:00 p.m. (prevailing Eastern Time) on February 5, 2025, or such other date or time as may be agreed by the SISP Team, with the prior written approval of the Interim Lenders (the “**Phase 1 Bid Deadline**”).
16. An LOI submitted by a Phase 1 Qualified Bidder will only be considered a “**Phase 1 Qualified Bid**” if the LOI complies at a minimum with the following:
 - (a) it has been duly executed by the Phase 1 Qualified Bidder and all other required parties of the Phase 1 Qualified Bidder;
 - (b) it is received by the Phase 1 Bid Deadline;
 - (c) it contains an agreement by the Phase 1 Qualified Bidder to be bound by the terms of the SISP;
 - (d) it provides written evidence, satisfactory to the Monitor, in consultation with the Debtors, of the ability to fully fund and consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including a specific indication of the sources of capital;
 - (e) it identifies all proposed material conditions to closing, including any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such approvals, along with information sufficient for the Monitor, in consultation with the Debtors, to determine that these conditions are reasonable in relation to the Phase 1 Qualified Bidder;
 - (f) it (i) identifies the Qualified Phase 1 Bidder and representatives thereof who are authorized to appear and act on behalf of the Qualified Phase 1 Bidder for all purposes regarding the contemplated transaction, and (ii) fully discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the LOI;

- (g) it contains an outline of the due diligence completed to the date of submission of the LOI and any additional due diligence required to be conducted in order to submit a binding offer;
- (h) it clearly indicates:
 - (i) whether the Phase 1 Qualified Bidder is seeking to acquire all or substantially all of the Business, whether through an asset purchase, a share purchase or a combination thereof (either one being, a **"Sale Proposal"**) or some other portion of the Business (a **"Partial Sale Proposal"**); and/or
 - (ii) whether the Phase 1 Qualified Bidder is offering to make an investment in, restructure, recapitalize, reorganize or refinance the Debtors or their business (an **"Investment Proposal"**); and
- (i) it does not provide for any break fee or expense reimbursement;
- (j) it contains such other information as may be reasonably requested by the SISF Team, in consultation with the Financial Advisor;
- (k) in the case of a Sale Proposal, it identifies or contains the following:
 - (i) the purchase price and key assumptions supporting the valuation and the anticipated amount of cash payable on closing of the proposed transaction;
 - (ii) any contemplated purchase price adjustment;
 - (iii) a description of the specific assets that are expected to be subject to the transaction and any assets expected to be excluded;
 - (iv) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Qualified Bidder intends to assume and which liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
 - (v) if the Sale Proposal contemplates the assumption of all or any portion of the indebtedness owing to the Senior Secured Creditors (**"Senior Secured Debt Assumption"**), the Sale Proposal must include a detailed proposal of the terms and conditions of any such Senior Secured Debt Assumption;
 - (vi) a description of the anticipated tax planning, if any;

- (vii) information is sufficient for the SISP Team to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above; and
 - (viii) any other terms or conditions of the Sale Proposal or Partial Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and
 - (l) in the case of an Investment Proposal, it identifies the following:
 - (i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization;
 - (ii) the aggregate amount of the equity and/or debt investment to be made in the Debtors or their business;
 - (iii) the underlying assumptions regarding the pro forma capital structure;
 - (iv) a description of those liabilities and obligations (including operating liabilities and obligations to employees) which the Phase 1 Qualified Bidder intends to assume and which liabilities and obligations it does not intend to assume and are to be excluded as part of the transaction;
 - (v) if the Investment Proposal contemplates any Senior Secured Debt Assumption, the Investment Proposal must include a detailed proposal of the terms and conditions for such Senior Secured Debt Assumption;
 - (vi) information sufficient for the SISP Team and the Financial Advisor to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above; and
 - (vii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction.
17. The SISP Team, with the Interim Lenders' prior written approval, may waive compliance with any one or more of the requirements specified in paragraph 16 and deem any such non-compliant LOI to be a Phase 1 Qualified Bid.

Assessment of Phase 1 Qualified Bids and Subsequent Process

18. The SISP Team, in consultation with the Financial Advisor and the Interim Lenders, may, following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid or a Phase 1 Satisfactory Bid (as defined below).
19. Following the Phase 1 Bid Deadline, the SISP Team shall determine, in accordance with the requirements of paragraph 16 and in consultation with the Financial Advisor and the Interim Lenders, the LOI(s) that are selected as the most favourable Phase 1 Qualified Bid(s), which Phase 1 Qualified Bid(s) shall be deemed a **"Phase 1 Satisfactory Bid(s)"** and which Phase 1 Qualified Bidder(s) accordingly shall be deemed a **"Phase 2 Qualified Bidder(s)"**, if any. For greater certainty, there can be more than one Phase 1 Qualified Bid that may be determined as being a Phase 1 Satisfactory Bid, and more than one Phase 1 Qualified Bidder that may be determined as being a Phase 2 Qualified Bidder.
20. Any LOI that contemplates a Senior Secured Debt Assumption cannot be determined to be a Phase 1 Satisfactory Bid without the written consent of any Senior Secured Creditor that would be subject to such Senior Secured Debt Assumption.
21. Only Phase 2 Qualified Bidders—being those that have submitted a Phase 1 Satisfactory Bid—shall be permitted to proceed to Phase 2 of the SISP.
22. The Financial Advisor shall notify each Phase 1 Qualified Bidder in writing as to whether its Phase 1 Qualified Bid constituted a Phase 1 Satisfactory Bid—such that it is a Phase 2 Qualified Bidder—no later than February 7, 2025, at 5:00 p.m. (prevailing Eastern Time), or at such later time as the SISP Team deems appropriate, in consultation with the Financial Advisor and with the prior written approval of the Interim Lenders.
23. In the event that no Phase 1 Satisfactory Bid is selected, the SISP Team may, with the prior written approval of the Interim Lenders, terminate the SISP.

PHASE 2: FORMAL OFFERS AND REMOVAL OF CONDITIONS

Formal Binding Offers

24. Any Phase 2 Qualified Bidder that wishes to make a formal offer with respect to its Sale Proposal, Partial Sale Proposal or Investment Proposal shall submit a binding offer (a **"Binding Offer"**) comprising: (a) in the case of a Sale Proposal or a Partial Sale Proposal, a draft purchase agreement or a mark-up to a draft form of purchase agreement made available to the Phase 2 Qualified Bidder; or (b) in the case of an Investment Proposal, a plan or restructuring support agreement or a mark-up to a draft form of plan or restructuring support agreement made available

to the Phase 2 Qualified Bidder (each, such Binding Offer submitted in accordance with paragraph 25 below, a **"Phase 2 Qualified Bid"**) in each case to the Financial Advisor, with a copy to the Debtors and to the Monitor, so as to be received by such parties not later than 5:00 p.m. (prevailing Eastern Standard Time) on March 7, 2025, or such other date or time as may be agreed by the SISP Team, with the prior written approval of the Interim Lenders (as may be extended the **"Phase 2 Bid Deadline"**).

25. A Binding Offer will only be considered as a Phase 2 Qualified Bid if the Binding Offer:
- (a) has been received by the Phase 2 Bid Deadline;
 - (b) is a Binding Offer: (i) to purchase all, substantially all, or a portion of the Business; and/or (ii) to make an investment in, restructure, recapitalize, reorganize or refinance the Debtors or their business;
 - (c) identifies all executory contracts of the Debtors that the Phase 2 Qualified Bidder will assume and clearly describes, for each contract or on an aggregate basis, how all monetary defaults and non-monetary defaults will be remedied, as applicable;
 - (d) is not subject to any due diligence or financing condition;
 - (e) contains evidence of authorization and approval from the Phase 2 Qualified Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, Phase 2 Qualified Bidder's equity holder(s);
 - (f) is unconditional, other than upon the receipt of the Approval Order(s) (as defined below) and satisfaction of any other conditions expressly set forth in the Binding Offer;
 - (g) specifies any regulatory or other third-party approvals the Phase 2 Qualified Bidder anticipates would be required to complete the Opportunity;
 - (h) the Binding Offer must be accompanied by a letter that confirms that the Binding Offer: (i) may be accepted by the Debtors by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two Business Days after the date of closing of the Successful Bid; and (B) the Outside Date;
 - (i) does not provide for any break fee, expense reimbursement or similar type of payment;
 - (j) is accompanied by a cash deposit in the amount of not less than 10% of the cash purchase price payable on closing or total new investment

contemplated, as the case may be (the “**Deposit**”), along with the acknowledgement that if the Phase 2 Qualified Bidder is selected as the Successful Bidder (as defined below), that the Deposit will be non-refundable subject to approval of the Successful Bid (as defined below) by the Court and the terms described in paragraph 37 below;

- (k) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before the week of April 7, 2025, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing (the “**Target Closing Date**”) and in any event no later than April 23, 2025 (the “**Outside Date**”);
- (l) contemplates that the Phase 2 Qualified Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid, is agreeing to refrain from and waive any assertion or request for reimbursement on any basis.

Selection of Successful Bid(s)

- 26. The SISP Team, in consultation with the Financial Advisor and the Interim Lenders, may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered a Phase 2 Qualified Bid.
- 27. The SISP Team, in consultation with the Financial Advisor and the Interim Lenders, will: (a) review and evaluate each Phase 2 Qualified Bid with respect to, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in item (i) above; (iii) the likelihood of the Phase 2 Qualified Bidder’s ability to close a transaction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court’s approval of the Phase 2 Qualified Bid as a Successful Bid, (v) the benefit to the Debtors and its stakeholders, and (vi) any other factors the SISP Team may deem relevant; and (b) identify the best bids (the “**Successful Bid(s)**”, and the Phase 2 Qualified Bidder(s) making such Successful Bid(s), the “**Successful Bidder(s)**”). Any Successful Bid shall be subject to approval by the Court.
- 28. Any Phase 2 Qualified Bid that contemplates a Senior Secured Debt Assumption cannot be determined to be a Successful Bid without the written consent of any Senior Secured Creditor that would be subject to such Senior Secured Debt Assumption.

29. In the event no Phase 2 Qualified Bidder submits a Phase 2 Qualified Bid, the SISP Team may, with the prior written approval of the Interim Lenders, terminate the SISP.
30. In the event that there is more than one (1) Phase 2 Qualified Bid, the SISP Team, in consultation with and, as may be required, with the assistance of the Financial Advisor and the Interim Lenders, may: (a) continue negotiations with a selected number of Phase 2 Qualified Bidders (collectively, the “**Selected Bidders**”) with a view to finalizing an agreement with one or more of the Selected Bidders and declaring such bids to constitute Successful Bids, or (b) conduct one or more auctions (the “**Auction(s)**”) on terms and conditions to be determined by the SISP Team, in consultation with the Financial Advisor and the Interim Lenders, with a view to determine the best Sale Proposals, Partial Sale Proposals or Investment Proposals, pursuant to Auction rules to be determined by the SISP Team, in consultation with the Financial Advisor and the Interim Lenders.
31. In the event that an Auction or Auctions will be held, all Phase 2 Qualified Bidders who submitted a Phase 2 Qualified Bid that the SISP Team determines, in consultation with the Financial Advisor and the Interim Lenders, entitle such Phase 2 Qualified Bidder to participate in the Auction, will be promptly advised by the Financial Advisor of such determination, and informed of the procedures applicable to such Auction.
32. The final Successful Bid(s) shall be selected by the SISP Team no later than March 19, 2025, at 5:00 p.m. (prevailing Eastern Time), and the definitive documentation in respect of the Successful Bid shall be finalized and executed no later than the week of March 24, 2025, which definitive documentation shall be conditional only upon the receipt of the Approval Order(s) and the express conditions set out therein and shall provide that the Successful Bidder shall use all commercially reasonable efforts to close the proposed transaction by no later than the Target Closing Date, or such longer period as shall be agreed to by the SISP Team, in consultation with the Financial Advisor and with the prior written approval of the Interim Lenders, and the Successful Bidder. In any event, the Successful Bid must be closed by no later than the Outside Date.

Approval of Successful Bid(s)

33. The Debtors shall apply to the Court (the “**Approval Application**”) for one or more orders: (i) approving the Successful Bid(s) and authorizing the taking of such steps and actions and completing such transactions as are set out therein or required thereby; (ii) granting a vesting order and/or reverse vesting order to the extent that such relief is contemplated by the Successful Bid(s), as applicable, so as to vest title to any purchased assets in the name of the Successful Bidder(s) and/or vesting unwanted liabilities out of one or more of the Debtors and/or (iii) sanctioning a plan of compromise and/or arrangement in respect of the Debtors, to the extent applicable (collectively, the “**Approval Order(s)**”). The Approval Application will be held on a date to be scheduled by the Debtors and confirmed

by the Court upon application by the Debtors, who shall use their commercially reasonable efforts to schedule the Approval Application during the week of March 31, 2025, subject to Court availability. With the consent of the SISP Team, the Interim Lenders and the Successful Bidder(s), the Approval Application may be adjourned or rescheduled by the Debtors without further notice, by an announcement of the adjourned date at the Approval Application or in a notice to the service list of the CCAA Proceedings prior to the Approval Application. The SISP Team shall consult with the Successful Bidder and the Interim Lenders regarding the application material to be filed by the Debtors for the Approval Application.

34. Any Phase 2 Qualified Bid (other than a Successful Bid as the case may be) shall be deemed rejected on and as of the date of the closing of an overlapping Successful Bid, with no further or continuing obligation of the Debtors, the Monitor or the Financial Advisor to such unsuccessful Phase 2 Qualified Bidder.
35. Following the approval by the CCAA Court of the Successful Bid, the Debtors shall file a motion with the United States Bankruptcy Court for the District of Illinois (the “**Bankruptcy Court**”) seeking recognition of such order of the CCAA Court, if deemed necessary.
36. The Debtors and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the CCAA Court and such order is recognized by the Bankruptcy Court, if necessary.

Deposits

37. The Deposit(s):
 - (a) shall, upon receipt from the Phase 2 Qualified Bidder(s), be retained by the Monitor and deposited in a non-interest-bearing trust account;
 - (b) received from the Successful Bidder(s), shall:
 - (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of an Approval Order, upon closing of the approved transaction; and
 - (ii) shall otherwise be held and refundable in accordance with the terms of the definitive documentation in respect of any Successful Bid, provided that all such documentation shall provide that the Deposit shall be retained by the Debtors and forfeited by the Successful Bidder if the Successful Bid fails to close by the Outside Date, and such failure is attributable to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of the Successful Bid; and

- (c) received from a Phase 2 Qualified Bidder that is not a Successful Bidder shall be fully refunded to the Phase 2 Qualified Bidder that paid the Deposit as soon as practical following the closing of the transaction contemplated by the overlapping Successful Bid of such Successful Bidder.

“As is, Where is”

- 38. Any sale(s) or investment(s) made pursuant to this SISP will be on an “**as is, where is**” basis except for representations and warranties that are customarily provided in definitive documents for a company subject to CCAA proceedings. Any such representations and warranties provided in the definitive documents shall not survive closing.

Credit Bidding

- 39. Any party or parties holding a valid and enforceable security interest or hypothec that may be set up against third parties and which encumbers any of the property forming part of the Business (an “**Enforceable Lien**”) may, subject in all respects to such party’s compliance with these SISP Procedures (including compliance with the deadlines set out hereunder), credit bid the amount of debt secured by such Enforceable Lien as part of any transaction contemplated by, and otherwise complying with, these SISP Procedures; provided, however, that such transaction shall also provide for the repayment in full in cash on the date of closing of any and all obligations secured by an Enforceable Lien against the Property that is to be acquired under such transaction that are senior to the Enforceable Lien held by the party submitting such credit bid, unless the holder of any such senior Enforceable Lien otherwise agrees. Nothing contained in this paragraph is intended to, or shall, alter or amend the rights, terms or obligations under any intercreditor agreement or indenture.

Further Orders

- 40. At any time during the SISP, the Debtors, the Monitor or the Interim Lenders may apply to the Court for advice and directions with respect to any aspect of this SISP and the SISP Procedures, including the continuation of the SISP or with respect to the discharge of their powers and duties hereunder.

Additional Terms

- 41. In addition to any other requirement of these SISP Procedures:
 - (a) The SISP Team and the Financial Advisor, as applicable, shall at all times prior to the selection of a Successful Bid use commercially reasonable efforts to facilitate a competitive bidding process in the SISP, including by actively soliciting participation by all persons who would be customarily identified as potential bidders in a process of this kind.

- (b) Any consent, approval or confirmation to be provided by the Debtors, the Monitor or the Interim Lenders is ineffective unless provided in writing and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the CCAA or as otherwise required at law in order to implement a Successful Bid. For the avoidance of doubt, a consent, approval or confirmation provided by email shall be deemed to have been provided in writing for the purposes of this paragraph.
- (c) The Court at all times retains the discretion to approve or not any Successful Bid, direct the clarification, termination, extension or modification of the SISP and SISP Procedures on application of any interested party.
- (d) Prior to the seeking of Court approval for any transaction or bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP process, parts of which may be filed under seal, including in respect of any and all bids received.

Consultation Rights

- 42. Subject to paragraph 42 hereof, during the SISP, the Senior Secured Creditors and the members of the Debtors' senior management will be entitled to be consulted and to receive, on a confidential basis, any confidential information or document in connection with the SISP, including copies of any bid submitted in the context of the SISP and any other confidential information or document reasonably requested (collectively, and together with any other consultation or approval rights (if any) provided in these SISP Procedures, the "**Consultation Rights**"), provided that they undertake to keep confidential any information received in connection with the SISP, and not to disclose any such information to any person, except the Debtors, the Monitor, the Financial Advisor and any Senior Secured Creditors and/or directors of the Debtors or members of the Debtors' senior management with effective Consultation Rights.
- 43. However, in order to preserve the integrity of the SISP, each Senior Secured Creditors and members of the Debtors' senior management will be required, by January 16, 2025 (the "**Notice Deadline**") to notify, in writing, the SISP Team and the Financial Advisor as to whether: (a) it intends to submit or otherwise participate in any way in a bid (including a credit bid) with respect to the Business (or any part or portion thereof), whether directly or indirectly, alone or with any other party (each a "**Participation Notice**") or (b) it does not intend to submit or otherwise participate in any way in a bid (including a credit bid) with respect to the Business (or any part or portion thereof), whether directly or indirectly, alone or with any other party (each a "**Non-Participation Notice**").
- 44. If, by the Notice Deadline, the SISP Team and the Financial Advisor receive an irrevocable Non-Participation Notice from a Senior Secured Creditor or member of

the Debtors' senior management confirming that it does not intend to submit or otherwise participate in any way in a bid (including a credit bid) with respect to the Business (or any part or portion thereof), whether directly or indirectly, alone or with any other party, then the Consultation Rights of such Senior Secured Creditor or member of the Debtors' senior management shall be maintained.

45. However, if, by the Notice Deadline, the SISP Team and the Financial Advisor do not receive a Non-Participation Notice from a Senior Secured Creditor or from a member of the Debtors' senior management, or if the SISP Team and the Financial Advisor do receive a Participation Notice from a Senior Secured Creditor or from a member of the Debtors' senior management confirming its intention to submit or otherwise participate in any way in a bid (including a credit bid) with respect to the Business (or any part or portion thereof), whether directly or indirectly, alone or with any other party, then the Consultation Rights of such Senior Secured Creditor or member of the Debtors' senior management shall be suspended without further notice or delay. The suspension of the Consultation Rights of such Senior Secured Creditor or member of the Debtors' senior management shall be maintained until such Senior Secured Creditor or member of the Debtors' senior management provides a Non-Participation Notice confirming in writing to the SISP Team and the Financial Advisor that it will not be submitting or participating in any way in a bid (including a credit bid) with respect to the Business (or any part or portion thereof), whether directly or indirectly, alone or with any other party.
46. In addition to the foregoing, if at any time during the SISP (including, for greater certainty, following the Notice Deadline), the SISP Team or the Financial Advisor is made aware of: (i) any member of the Debtors' senior management intending to submit or otherwise participate in any way in a bid (including a credit bid) with respect to the Business (or any part or portion thereof), whether directly or indirectly, alone or with any other party; or (ii) the fact that any member of the Debtors' senior management is otherwise solicited by, receives an offer from or entertains any meaningful discussions with a Potential Bidder in connection with a potential opportunity (through employment or otherwise) in respect of the Business in the context of a potential transaction that may reasonably be considered likely to influence his or her decision-making, then the SISP Team, in consultation with the Financial Advisor and the Interim Lenders, will determine whether any guidelines or measures are necessary or advisable to be implemented to preserve the integrity of the SISP

APPENDIX A DEFINED TERMS

“Approval Application” shall have the meaning set forth in paragraph 33.

“Approval Order(s)” shall have the meaning set forth in paragraph 33.

“Auction(s)” shall have the meaning set forth in paragraph 29.

“Bankruptcy Court” shall have the meaning set forth in paragraph 35.

“Binding Offer” shall have the meaning set forth in paragraph 24.

“Business” shall have the meaning set forth in the preamble.

“Business Day” means a day on which banks are open for business in Montréal but does not include a Saturday, Sunday or statutory holiday in the Province of Québec.

“CCAA” shall have the meaning set forth in the preamble.

“CCAA Proceedings” shall have the meaning set forth in the preamble.

“CIM” shall have the meaning set forth in paragraph 13.

“Clean Rooms” shall have the meaning set forth in paragraph 10.

“Company” shall have the meaning set forth in the preamble.

“Consultation Rights” shall have the meaning set forth in paragraph 42.

“Court” shall have the meaning set forth in the preamble.

“Debtors” shall have the meaning set forth in the preamble.

“Deposit” shall have the meaning set forth in paragraph 25(j).

“Enforceable Lien” shall have the meaning set forth in paragraph 39.

“Financial Advisor” shall have the meaning set forth in the preamble.

“Financing Party” shall have the meaning set forth in paragraph 11.

“Initial Order” shall have the meaning set forth in the preamble.

“Interim Lenders” shall mean National Bank of Canada, Fédération des Caisses Desjardins du Québec and Bank of Montreal **“Investment Proposal”** shall have the meaning set forth in paragraph 16(h)(ii).

“LOI” shall have the meaning set forth in paragraph 15.

“Monitor” shall have the meaning set forth in the preamble.

“NDA” shall have the meaning set forth in paragraph 11.

“Non-Participation Notice” shall have the meaning set forth in paragraph 43.

“Notice Deadline” shall have the meaning set forth in paragraph 43.

“Opportunity” shall have the meaning set forth in paragraph 1.

“Outside Date” shall have the meaning set forth in paragraph 25(k).

“Partial Sale Proposal” shall have the meaning set forth in paragraph 16(h)(i).

“Participation Notice” shall have the meaning set forth in paragraph 43.

“Phase 1 Bid Deadline” shall have the meaning set forth in paragraph 15.

“Phase 1 Qualified Bid” shall have the meaning set forth in paragraph 15.

“Phase 1 Qualified Bidder” shall have the meaning set forth in paragraph 12.

“Phase 1 Satisfactory Bid” shall have the meaning set forth in paragraph 19.

“Phase 2 Bid Deadline” shall have the meaning set forth in paragraph 24.

“Phase 2 Qualified Bid” shall have the meaning set forth in paragraph 24.

“Phase 2 Qualified Bidder” shall have the meaning set forth in paragraph 19.

“Potential Bidder” shall have the meaning set forth in paragraph 11.

“Representatives” shall have the meaning set forth in in paragraph 13.

“Sale Proposal” shall have the meaning set forth in paragraph 16(h)(i).

“Selected Bidders” shall have the meaning set forth in paragraph 29.

“Senior Secured Creditors” means (i) the syndicate of lenders represented by National Bank of Canada, as lender, administrative agent, collateral agent and hypothecary representative, under the credit agreement entered into on August 11, 2021, with The Lion Electric Company, as borrower, Lion Electric Holding USA Inc., Lion Electric Manufacturing USA Inc., the Lion Electric Co. USA Inc. and Northern Genesis Acquisition Corp., as guarantors as such credit agreement have been amended, restated, supplemented or otherwise modified, from time to time, and (ii) Fonds Finalta Capital,

s.e.c., (a limited partnership acting through Commandité Fonds Finalta Capital Inc., its general partner, itself acting through its manager, Finalta Capital Inc.) and CDPQ Revenu Fixe I Inc., pursuant to the credit agreement between the CDPQ-Finalta Lenders, as lenders, and La Compagnie Électrique Lion, dated November 7, 2022, as amended and restated, from time to time, and the guarantees thereunder. For greater certainty, the Senior Secured Creditors shall include the Interim Lenders.

"Senior Secured Debt Assumption" shall have the meaning set forth in paragraph 16(k)(v).

"SISP" shall have the meaning set forth in the preamble.

"SISP Order" shall have the meaning set forth in the preamble.

"SISP Procedures" shall have the meaning set forth in the preamble.

"SISP Team" shall have the meaning set forth in the preamble.

"Solicitation Letter" shall have the meaning set forth in paragraph 9.

"Special Committee" shall have the meaning set forth in the preamble.

"Successful Bid" shall have the meaning set forth in paragraph 27.

"Successful Bidder" shall have the meaning set forth in paragraph 27.

"Target Closing Date" shall have the meaning set forth in paragraph 25(k).

"VDR" shall have the meaning set forth in paragraph 10.