

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:

The Lion Electric Company, *et al.*,

Debtors in a Foreign Proceeding.¹

Chapter 15

Case No. 24-18898

Judge David D. Cleary

(Will County)

(Joint Administration Requested)

**VERIFIED PETITION FOR (I) RECOGNITION OF FOREIGN MAIN PROCEEDING,
(II) RECOGNITION OF FOREIGN REPRESENTATIVE, (III) RECOGNITION OF
INITIAL ORDER, AMENDED AND RESTATED INITIAL ORDER, AND SISF ORDER,
AND (IV) RELATED RELIEF**

The Lion Electric Company, in its capacity as the authorized foreign representative (“Lion Electric” or the “Foreign Representative”), as defined by section 101(24) of title 11 of the United States Code (the “Bankruptcy Code”), the above-captioned debtors (collectively, the “Debtors” or the “Lion Group”), which are the subject of a proceeding (collectively, the “Canadian Proceeding”) currently pending before the Superior Court of Québec (Commercial Division) (the “Canadian Court”) initiated pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), hereby submits this verified petition (the “Verified Petition,” and together with the chapter 15 petitions filed for each of the Debtors as D.I. 1 in their respective cases, the “Petitions for Recognition”) and respectfully states as follows:

¹ The Debtors in these chapter 15 proceedings, together with the last four digits of their business number or employment identification number, as applicable, are: The Lion Electric Company (6310); Lion Electric Finance Canada Inc. (8102) (“Lion Finance Canada”); Lion Electric Vehicles Finance Canada Inc. (7415) (“Lion Vehicle Finance Canada”); Lion Electric Holding USA Inc. (0699) (“Lion Holding USA”); Northern Genesis Acquisition Corp. (7939) (“Northern Genesis”); The Lion Electric Co. USA Inc. (9919) (“Lion Electric USA”); Lion Electric Manufacturing USA, Inc. (0766) (“Lion Manufacturing USA”); and Lion Electric Finance USA, Inc. (4755) (“Lion Finance USA”). The location of the Debtors’ headquarters and the Debtors’ foreign representative is: 921 chemin de la Rivière-du-Nord, Saint-Jérôme, Québec, Canada J7Y 5G2.

RELIEF REQUESTED

1. Through the Verified Petition, the Foreign Representative seeks entry of an order, substantially in the form attached hereto as **Exhibit A**, providing the following relief:

- (a) recognition pursuant to section 1517 of the Bankruptcy Code of the Canadian Proceeding as a “foreign main proceeding” as defined in section 1502(4) of the Bankruptcy Code;
- (b) recognition on a final basis that the Foreign Representative is the “foreign representative” (as defined in section 101(24) of the Bankruptcy Code) of the Debtors;
- (c) full force and effect given in the United States to the Initial Order, the Amended and Restated Initial Order, and the SISP Order (each defined below), including any and all extensions or amendments thereof authorized by the Canadian Court, and extension of the protections of the Initial Order, the Amended and Restated Initial Order, and the SISP Order to the Debtors in the United States on a final basis;
- (d) all relief automatically available pursuant to section 1520 of the Bankruptcy Code, including, but not limited to the “automatic stay” under section 362 of the Bankruptcy Code, which shall apply with respect to the Debtors and the Debtors’ property that is now or in the future located within the territorial jurisdiction of the United States;
- (e) additional relief pursuant to section 1521 of the Bankruptcy Code, including but not limited to, extension on a final basis, pursuant to section 1521(a)(6), of any relief granted under the Provisional Relief Order (defined below); and
- (f) such other and further relief as is appropriate under the circumstances, including pursuant to sections 105(a) and 1507 of the Bankruptcy Code.

2. To the extent the relief requested herein exceeds the relief available to the Foreign Representative with respect to the Debtors pursuant to section 1520 of the Bankruptcy Code, the Foreign Representative requests this relief pursuant to sections 1507 and 1521(a)(1) and (2).

3. In the event the Court were to determine the Canadian Proceeding is not a foreign main proceeding with respect to any of the Debtors, the Foreign Representative requests that the Court recognize the Canadian Proceeding as a foreign nonmain proceeding with respect to each

such Debtor and grant the relief requested above pursuant to sections 1521 and 1507 of the Bankruptcy Code.

JURISDICTION AND VENUE

4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Recognition of a foreign proceeding and other matters under chapter 15 of the Bankruptcy Code are core matters pursuant to 28 U.S.C. § 157(b)(2)(P).

5. These chapter 15 cases have been properly commenced pursuant to sections 1504 and 1509 of the Bankruptcy Code by the filing of petitions for recognition of the Canadian Proceeding under section 1515 of the Bankruptcy Code.

6. Venue is proper before the Court pursuant to 28 U.S.C. § 1410.

7. The bases for the relief requested in this Verified Petition are sections 105(a) 1501, 1504, 1507, 1515, 1517, 1520, and 1521 of the Bankruptcy Code.

BACKGROUND

8. On December 17, 2024, the Debtors commenced the Canadian Proceeding under the CCAA to initiate a restructuring proceeding under the supervision of the Canadian Court. On December 18, 2024, the Canadian Court entered an initial order (the “Initial Order”) enforcing an automatic stay against the Debtors and their directors and officers, appointing Deloitte Restructuring Inc. (the “Monitor”) as monitor of the Debtors, and authorizing Lion Electric to act as Foreign Representative of the Debtors.² On December 18, 2024, the Canadian Court also entered an order (such order, the “SISP Order”) approving a sale and investment solicitation

² A description of the relief providing in the Initial Order is set forth herein and in the Coulombe Declaration (defined below), and a certified copy of the Initial Order is attached to each of the Debtors’ chapter 15 petitions and as Exhibit 1 to the Provisional Relief Order (defined below).

process (the “SISP”) in the Canadian Proceeding. A certified copy of the SISP Order is attached hereto as **Exhibit B**.

9. On the date hereof (the “Petition Date”), the Foreign Representative filed petitions under chapter 15 of the Bankruptcy Code for recognition of the Canadian Proceeding, thereby commencing the Debtors’ chapter 15 cases.

10. Also on the Petition Date and concurrently herewith, the Foreign Representative filed the *Motion for (I) Ex Parte Temporary Restraining Order, (II) After Notice and a Hearing, Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code, and (III) Related Relief* (the “Provisional Relief Motion”) seeking entry of a temporary restraining order (the “Emergency Order”) and an order giving effect to the the Initial Order and certain other relief as set forth therein (the “Provisional Relief Order”). All arguments set forth in the Provisional Relief Motion are incorporated herein by reference.

11. The Canadian Court has scheduled a comeback hearing in the Canadian Proceeding, where the Debtors will seek the entry of an amended and restated Initial Order (the “Amended and Restated Initial Order”). A description of the relief provided in the Amended and Restated Initial Order is set forth in the Coulombe Declaration. A copy of the Debtors’ proposed Amended and Restated Initial Order is attached hereto as **Exhibit C**. To the extent that the Canadian Court enters the Amended and Restated Initial Order, the Foreign Representative will file a certified copy of such order with the Court.

12. Additional information about the Debtors’ business and operations, the events leading up to the filing of the Petitions for Recognition, and the facts and circumstances surrounding the Canadian Proceeding and these chapter 15 cases are set forth in the *Declaration of Richard Coulombe in Support of the Debtors’ Verified Petition for (I) Recognition of Foreign*

Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order and (IV) Related Relief (the “Coulombe Declaration”) filed contemporaneously herewith. Details regarding the Canadian Proceeding are set forth in the *Declaration of Guy P. Martel in Support of the Debtors’ Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Related Relief* (the “Martel Declaration”) filed contemporaneously herewith. The Coulombe Declaration and the Martel Declaration are each incorporated herein by reference.

BASIS FOR RELIEF

13. Chapter 15 of the Bankruptcy Code is designed to promote cooperation and comity between courts in the United States and foreign courts, to protect and maximize the value of a debtor’s assets, and to facilitate the rehabilitation and reorganization or liquidation of businesses. The relief afforded under chapter 15 to a debtor in a foreign proceeding is intended to avoid disruptions that could otherwise derail that foreign restructuring.

14. Consistent with these principles, the Foreign Representative commenced ancillary proceedings for the Debtors under chapter 15 of the Bankruptcy Code to obtain recognition of the Canadian Proceeding and certain related relief in the United States. As set forth in detail in the Coulombe Declaration, the Foreign Representative believes that these chapter 15 cases will complement the Canadian Proceeding to ensure the effective and economic administration of the Debtors’ efforts to conduct a sale and restructuring process under the CCAA and the supervision of the Canadian Court, and to prevent parties from taking action in the United States that may jeopardize these efforts.

I. The Debtors are Eligible for Chapter 15 Relief.

15. Each of the Debtors is eligible to be a debtor in a chapter 15 case. For the purposes of chapter 15 of the Bankruptcy Code, a “debtor” means an entity that is the subject of a foreign proceeding. *See* 11 U.S.C. § 1502(1); *see also* 11 U.S.C. § 101(15), (41) (defining “entity” and “person”). The Foreign Representative, Lion Finance Canada, and Lion Vehicles Finance Canada are entities organized under the Business Corporations Act (Québec) (“QBCA”) and Lion Holding USA, Northern Genesis, Lion Electric USA, Lion Finance USA, and Lion Manufacturing USA are Delaware corporations. As set forth below, the Canadian Proceeding is a foreign proceeding as that term is defined in the Bankruptcy Code. None of the Debtors fall within any of the categories of entities excluded from chapter 15 eligibility, as set forth in section 1501(c) of the Bankruptcy Code.

16. Moreover, the Debtors each satisfy section 109(a) of the Bankruptcy Code which requires that a debtor have a residence, domicile, a place of business or property in the United States. 11 U.S.C. § 109(a). Courts have adopted a broad interpretation of “property” under section 109(a) of the Bankruptcy Code and have found that even a nominal amount of property in the United States satisfies the requirements of section 109(a). *See, e.g., In re Global Ocean Carriers Ltd.*, 251 B.R. 31 (Bankr. D. Del. 2000) (holding that approximately \$10,000 in a bank account and the unearned portions of retainers provided to local counsel constituted a sufficient property interest for chapter 15 purposes); *In re Poymanov*, 571 B.R. 24, 29 (Bankr. S.D.N.Y. 2017) (noting it is established that “[a] debtor’s funds held in a retainer account in the possession of counsel to the foreign representative constitute property of the debtor in the United States and satisfy the eligibility requirements of section 109”). Effectively, if a debtor has any property in the United States, section 109(a) of the Bankruptcy Code is satisfied.

17. Here, the Foreign Representative satisfies section 109(a) through its ownership of the stock of Lion Holding USA, a Delaware corporation. Under Delaware law, the situs of the stock of a Delaware corporation is in Delaware. *See* 8 Del. C. § 169 (“For all purposes of title, action, attachment, garnishment and jurisdiction of all courts held in this State, but not for the purpose of taxation, the situs of the ownership of the capital stock of all corporations existing under the laws of this State, whether organized under this chapter or otherwise, shall be regarded as in this State.”); *see also In re Global Ocean Carriers*, 251 B.R. at 38 (concluding that under Delaware law, a chapter 11 debtor that owned the capital stock of a Delaware corporation owned property in Delaware). Lion Holding USA, Northern Genesis, Lions Electric USA, Lion Finance USA, and Lion Manufacturing USA are Delaware corporations and, thus, are domiciled in Delaware. Lion Manufacturing USA operates a manufacturing facility in Joliet, Illinois, and therefore has property in the United States. Northern Genesis, Lion Finance USA, Lion Holding USA, and the three Debtors formed in Quebec also all have property in the United States by way of cash in a bank account held in the United States or through its respective interest in the retainer provided to the Debtors’ U.S. counsel, Troutman Pepper Hamilton Sanders, LLP, in the amount of approximately \$18,000.00, which is being held in the firm’s bank account at Wells Fargo in Evanston, Illinois. *See id.* (recognizing an interest in a retainer as property that satisfies section 109(a)).

18. Accordingly, the Debtors are eligible for relief under chapter 15 of the Bankruptcy Code. *See* 11 U.S.C. § 1501(b), (c).

II. The Canadian Proceeding Should Be Recognized as a Foreign Main Proceeding.

19. Section 1517(a) of the Bankruptcy Code provides that, after notice and hearing, a court shall enter an order recognizing a foreign proceeding as a foreign main proceeding if: (a) such foreign proceeding is a foreign main proceeding within the meaning of section 1502 of the Bankruptcy Code, (b) the foreign representative applying for recognition is a person or body,

and (c) the petition meets the requirements of section 1515 of the Bankruptcy Code. *See* 11 U.S.C. § 1517(a). The Canadian Proceeding, the Foreign Representative, and the Petitions for Recognition satisfy all of the foregoing requirements.

A. The Canadian Proceeding is a “Foreign Proceeding.”

20. Section 101(23) of the Bankruptcy Code defines a “foreign proceeding” as:

a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation.

21. Courts have held that a “foreign proceeding” is: (a) a proceeding; (b) that has either a judicial or an administrative character; (c) that is collective in nature, in the sense that the proceeding considers the rights and obligations of all creditors; (d) that is located in a foreign country; (e) that is authorized or conducted under a law related to insolvency or the adjustment of debt, even if the debtor that has commenced such proceedings is not actually insolvent; (f) in which the debtor’s assets and affairs are subject to the control or supervision of a foreign court or other authority competent to control or supervise a foreign proceeding; and (g) which proceeding is for the purpose of reorganization or liquidation. *See In re Ashapura Minechem Ltd.*, 480 B.R. 129, 136 (S.D.N.Y. 2012); *see also In re Condor Flugdienst GmbH*, 627 B.R. 366, 370 (Bankr. N.D. Ill. 2021) (noting that the court previously found the German proceeding to be a foreign proceeding because it was a collective judicial proceeding in a foreign country under a law relating to insolvency and in which the assets and affairs of the debtor was subject to supervision by the German court for the purposes of reorganization or liquidation); *In re Overnight and Control Comm’n of Avánzit, S.A.*, 385 B.R. 525, 533 (Bankr. S.D.N.Y. 2008) (discussing factors). As set forth herein and in the Martel Declaration, the Canadian Proceeding satisfies such requirements

and, therefore, qualifies as a “foreign proceeding” for purposes of section 101(23) of the Bankruptcy Code.

22. **First**, the Canadian Proceeding is a proceeding commenced pursuant to the CCAA, a Canadian law that governs corporate reorganizations and provides for an arrangement of a company’s financial obligations. *See* CCAA § 44(a-e). For purposes of chapter 15 recognition, “the hallmark of a ‘proceeding’ is a statutory framework that constrains a company’s actions and that regulates the final distribution of a company’s assets.” *In re Betcorp Ltd.*, 400 B.R. 266, 278 (Bankr. D. Nev. 2009). Because the Canadian Proceeding operates under such statutory framework, it satisfies the first factor of section 101(23) of the Bankruptcy Code.

23. **Second**, the Canadian Proceeding is judicial in character. A reorganization proceeding is judicial in character whenever a “court exercises its supervisory powers.” *In re ABC Learning Ctrs. Ltd.*, 445 B.R. 318, 328 (Bankr. D. Del. 2010). Here, under the Initial Order (and the proposed Amended and Restated Initial Order), among other things, the Debtors are empowered to take certain actions to further their restructuring efforts, subject to Monitor approval or order of the Canadian Court and are entitled to file a plan of arrangement or compromise under the CCAA with the Canadian Court. Further, under the SISP Order, after completion of the processes contemplated by the SISP and proper notice and hearing, the Canadian Court may ultimately approve a sale of the Debtors’ assets under the terms of the SISP, having considered the statutory requirements under the CCAA.

24. **Third**, the Canadian Proceeding is collective in nature in that all affected creditors are allowed to participate. *See In re Poymanov*, 571 B.R. 24, 33 (Bankr. S.D.N.Y. 2017) (“A proceeding is collective if it considers the rights and obligations of all of a debtor’s creditors, rather than a single creditor.”). The Canadian Proceeding is intended to affect creditors collectively,

rather than to benefit any single creditor alone. Here, the Debtors have commenced the Canadian Proceeding with the goal of maximizing value for its creditors through the SISP. Affected creditors are entitled to intervene while the SISP is implemented and the Canadian Court considers the sale of the Debtors' assets. Thus, the Canadian Proceeding is a quintessential collective proceeding.

25. **Fourth**, the Canadian Proceeding is conducted in a foreign country, Canada, and the Canadian Court that will oversee the case is located in Québec, Canada.

26. **Fifth**, as described above, the CCAA is “a law relating to insolvency or adjustment of debt.” Here there is no doubt that the Canadian Proceeding conducted under CCAA is a proceeding under either (a) “a law relating to insolvency” or (b) “a law relating to . . . adjustment of debt.” Indeed, as noted above, the Debtors intend to pursue a sale or restructuring process under the CCAA, which will reorganize the Debtors' indebtedness.

27. **Sixth**, the Canadian Proceeding subjects the Debtors' assets and affairs to the supervision of the Canadian Court during the pendency of the proceedings.

28. **Finally**, the objective of the Canadian Proceeding as stated by the Debtors therein is to effectuate a transaction pursuant to the SISP. Such a transaction, overseen by the Canadian Court pursuant to the CCAA, may provide for a plan of compromise or arrangement or a transaction that will allow its creditors to maximize recovery.

29. Because the Canadian Proceeding satisfies all of the criteria required by section 101(23) of the Bankruptcy Code, it is a foreign proceeding entitled to recognition under chapter 15 of the Bankruptcy Code. U.S. courts have recognized collective proceedings similar to the Canadian Proceeding as “foreign proceedings” on numerous occasions. *E.g., In re Broadcast Systems and Equipment Inc.*, Case No. 19-09737 (JBS) (Bankr. N.D. Ill. Apr. 25, 2019) (recognizing a Canadian proceeding under the CCAA as a foreign proceeding); *see also In re IMV*

Inc., Case No. 23-10589 (KBO) (Bankr. D. Del. June 2, 2023) (same); *In re Acerus Pharma. Corp.* Case No. 23-10111 (TMH) (Bankr. D. Del. Feb. 27, 2023) (same).

B. The Canadian Proceeding Should be Recognized as a “Foreign Main Proceeding.”

30. The Canadian Proceeding should be recognized as a “foreign main proceeding” as defined in section 1502(4) of the Bankruptcy Code. A foreign proceeding must be recognized as a “foreign main proceeding” if it is pending in the country where the debtor has its center of main interests (“COMI”). 11 U.S.C. § 1517(b).

31. While the Bankruptcy Code does not define “center of main interests,” it does provide that “in the absence of evidence to the contrary, the debtor’s registered office . . . is presumed to be the center of the debtor’s main interests.” 11 U.S.C. § 1516(c). The “registered office” presumption is rebuttable. In *Bear Stearns*, Judge Lifland observed that:

This presumption “permits and encourages fast action in cases where speed may be essential, while leaving the debtor’s true ‘center’ open to dispute in cases where the facts are more doubtful.” . . . This presumption is not a preferred alternative where there is a separation between a corporation’s jurisdiction of incorporation and its real seat. . . . “[T]he Model Law and Chapter 15 give limited weight to the presumption of jurisdiction of incorporation as the COMI.”

In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd., 374 B.R. 122, 128 (Bankr. S.D.N.Y. 2007) (internal citations omitted). Thus, where any “evidence to the contrary” is presented, the presumption plays no role. *Collins v. Oilsands Quest, Inc.*, 484 B.R. 593, 595 (S.D.N.Y. 2012).

32. When determining a debtor’s COMI, many courts consider the concept of an entity’s “principal place of business” or “nerve center.” See *Morning Mist Holdings Ltd. v. Krys (In re Fairfield Sentry Ltd.)*, 714 F.3d 127, 138 n.10 (2d Cir. 2013) (considering an entity’s principal place of business in making a COMI determination); *In re Bear Stearns*, 374 B.R. at 129, *aff’d*, 389 B.R. 325 (S.D.N.Y. 2008). Courts have identified certain factors that are relevant in

determining a debtor's COMI, including: (a) the location of the debtor's headquarters; (b) the location of those persons or entities that actually manage the debtor (which, in certain instances, could be the headquarters of a holding company); (c) the location of the debtor's primary assets; and (d) the location of the majority of the debtor's creditors or of a majority of the creditors who would be affected by the case. *See In re SPhinX, Ltd.*, 351 B.R. 103, 117 (Bankr. S.D.N.Y. 2006); *see also In re Ran*, 607 F.3d 1017, 1023 (5th Cir. 2010).

33. Here, under all of the relevant criteria, Québec, Canada is the Debtors' COMI. As set forth in the Coulombe Declaration:

- A. the registered, head office and chief place of business of each of Lion Electric, Lion Finance Canada and Lion Vehicles Finance Canada, and the headquarters office for each of the Lion Group entities, is in Saint-Jérôme, Québec, Canada, and each of the Canadian Debtors is organized under the QBCA;
- B. the Debtors operate on a consolidated basis with a unified cash management system. The Debtors operate as one corporate group controlled by Lion Electric, which controls the operations and strategic direction of the Debtors as the ultimate parent company of its subsidiaries;
- C. each of the Debtors' operational and critical strategic decisions are mainly made in Québec, Canada by the Debtors' senior management also located in Québec, Canada;
- D. Lion Electric, as the publicly listed entity, receives all proceeds from share capital issuances and loan proceeds, and uses such proceeds to fund the other Debtor entities;
- E. all material and/or long-term contracts and expenses are subject to the approval of Lion Electric's senior management located in Québec, Canada;
- F. most material and/or long-term contracts to which any Lion Group entity is a party, including contracts to which any U.S. subsidiary of Lion Electric is a party, are negotiated by senior management of such entity based in Québec, Canada;

- G. corporate governance and regulatory compliance for each of the Debtors is overseen by Lion Electric's management team located in Québec, Canada;
- H. meetings for directors and officers, other management and senior staff of the Debtors are regularly held at Lion Electric's headquarters located in Saint-Jérôme, Québec, Canada;
- I. key accounting decisions and all plans, budgets and financial projections are subject to the approval of senior management located in Québec, Canada;
- J. planning, budgeting, management of tax, treasury and cash management and preparation of financial projections for the Debtors is done from Québec, Canada;
- K. marketing and business development initiatives are overseen from Lion Electric's marketing team located in Québec, Canada;
- L. key human resources decisions, including decisions pertaining to, *inter alia*, payroll budgets and augmentation or reduction of employee headcount as per the approved budget, are made in Québec, Canada;
- M. the majority of the Debtors' employees are based and work in Québec, Canada, as is the Debtors' senior management;
- N. the majority of the Debtors' most important assets and operations, including manufacturing, sales, engineering, research and development operations, and work in process and parts inventory (including certain inventory owned by Lion Manufacturing USA) are located in Québec, Canada;
- O. the books and records of Lion Electric and each of its direct and indirect subsidiaries are located and maintained at the Lion Group's headquarters offices in Saint-Jérôme, Québec;
- P. Québec is the readily ascertainable jurisdiction by the Debtors' creditors, considering, among other things, that Lion Electric is the sole borrowing entity pursuant to the secured loans it has entered into, and a substantial amount of claims, both secured and unsecured, are owed to Canadian creditors (including loans for which the U.S.-based Debtors are guarantors);
- Q. the Debtors formed in the United States have employees dispersed throughout several regions in the United States,

including California and Illinois, but the management decisions come from headquarters in Québec, Canada;

- R. the majority of directors and officers for each Debtor formed in the United States are Canadian, and leadership often negotiates business for these Debtors at headquarters in Québec, Canada;
- S. Lion Electric holds and maintains certain inventory purchased by Lion Manufacturing USA at headquarters located in Québec, Canada, for the purposes of designing and manufacturing certain EVs for the U.S. market;
- T. while Lion Electric USA is responsible for EV sales in the U.S., the majority of vehicles were manufactured in Canada or contain major components, such as batteries, that were manufactured in Canada. As stated herein, in the past three years, approximately 199 EVs were manufactured in the United States and sold in the United States whereas approximately 276 EVs were manufactured in Canada and sold in the United States;
- U. financing and other support services for the Debtors' activities, including with respect to any activities in the United States, are largely provided by Lion Electric; and
- V. certain of the Debtors' key suppliers with whom the Debtors have contracts are in Canada. The primary secured creditors for the Debtors' operations are based in Canada.

See Coulombe Declaration at ¶ 89.

34. Based on these facts, the Debtors have substantially more ties to Canada than to any other country. Therefore, the Debtors' COMI is Canada and, as such, the Canadian Proceeding should be recognized as a foreign main proceeding. Such recognition would be wholly consistent with the Canadian Court's finding and ruling in the Initial Order, based on the facts above, that Québec, Canada is the Debtors' center of main interest. *See* Initial Order at ¶ 72. Notably, courts have previously recognized CCAA proceedings for non-Canadian subsidiaries as "foreign main proceedings," given that they, as is the case here, were part of a jointly administered CCAA proceeding with their Canadian parent. *E.g., In re Good Natured Products Inc.*, Case No. 24-

80891 (TML) (Bankr. N.D. Ill. Aug. 8, 2024) (granting recognition of a Canadian proceeding as a foreign main proceeding); *In re NextPoint Fin. Inc.*, No. 23-10983 (TMH) (Bankr. D. Del. Aug. 16, 2023) (same).

35. If the Court finds for any particular Debtor that its COMI is not in Canada, which it should not, the Canadian Proceeding should in the lesser alternative be recognized as a foreign nonmain proceeding for such Debtor, as defined by section 1502(5) of the Bankruptcy Code. A “foreign nonmain proceeding” is a foreign proceeding, other than a foreign main proceeding, “pending in a country where the debtor was an establishment.” 11 U.S.C. § 1502(4). “Establishment”, in turn, is defined as “any place of operations where the debtor carries out a nontransitory economic activity.” 11 U.S.C. § 1502(2). “Non-transitory” economic activity requires “a seat for local business activity” in the applicable country with a “local effect on the marketplace.” *See Beveridge v. Vidunas (In re O’Reilly)*, 598 B.R. 784, 806 (Bankr. W.D. Pa. 2019). As described above, the Debtors have an “establishment” in Canada given the scope of their business connections to Canada and their conduct of business activity through at the Lion Group’s Québec headquarters executives based in Canada, and the Canadian Proceeding should thus be recognized as a “foreign nonmain proceeding” to the extent it is not recognized as foreign main proceeding as to any of the Debtors. Further, to the extent that the Court recognizes the Canadian Proceeding as a foreign nonmain proceeding with respect to any of the Debtors, the Foreign Representative requests that the Court exercise its discretion under sections 1507(a) and 1521 of the Bankruptcy Code to grant such Debtors the relief available under sections 1521(a) and (b), including the continued application of section 362 and 365(e) with respect to any such Debtor and its property located in the United States, and grant recognition of the Initial Order, Amended and Restated Initial Order, and SISP Order as to such Debtors. For the reasons asserted herein, this

relief is necessary for a successful sale and restructuring process under the CCAA. Absent such relief, creditors could act against U.S.-based Debtors, the Debtors' U.S.-based assets or their Directors and Officers to derail the Debtors' reorganization or SISP efforts.

III. These Cases Were Commenced by a Duly Authorized Foreign Representative.

36. Section 1517 of the Bankruptcy Code provides that a "foreign representative" shall apply for recognition of the foreign proceeding. Section 101(24) of the Bankruptcy Code. That section provides as follows:

The term "foreign representative" means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of such foreign proceeding.

37. Pursuant to the Initial Order, the Canadian Court authorized the appointment of the Foreign Representative, authorized and empowered the Foreign Representative to act as a foreign representative in respect of the Canadian Proceeding, and authorized the Foreign Representative to file the chapter 15 cases in the United States for the purpose of having the Canadian Proceeding recognized. *See* Initial Order, ¶¶ 70–71.

IV. The Petitions for Recognition Satisfy All of the Requirements under Section 1515 of the Bankruptcy Code.

38. These chapter 15 cases were duly and properly commenced by filing the Petitions for Recognition, accompanied by all fees, documents, and information required by the Bankruptcy Code and the Bankruptcy Rules, including: (a) a corporate ownership statement containing the information described in Bankruptcy Rule 7007.1; (b) a list containing (i) the names and addresses of all persons or bodies authorized to administer foreign proceedings of the Debtors, (ii) all parties to litigation pending in the United States in which the Debtors are a party at the time of the commencement of the chapter 15 cases, and (iii) all entities against whom provisional relief is

being sought under section 1519 of the Bankruptcy Code; (c) a statement identifying all of the Debtors' foreign proceedings that are known to the Foreign Representative; and (d) a certified copy of the Initial Order.

V. Recognition of the Canadian Proceeding is Not Manifestly Contrary to U.S. Public Policy.

39. Section 1506 of the Bankruptcy Code provides that nothing in chapter 15 requires this Court to take any action that would be manifestly contrary to the public policy of the United States. 11 U.S.C. § 1506. “[F]ederal courts in the United States have uniformly adopted the narrow application of the public policy exception.” *In re OAS S.A.*, 533 B.R. at 103 (citing *Fairfield Sentry*, 714 F.3d at 139). The relief requested by the Foreign Representative is not manifestly contrary to, but rather consistent with, United States public policy. *Cornfeld v. Investors Overseas Servs., Ltd.*, 471 F. Supp. 1255, 1259 (S.D.N.Y. 1979) (recognizing that a Canadian liquidation proceeding would not violate the laws or public policy of New York or the United States). As noted above, many U.S. courts, including in this District, have granted recognition of proceedings under the CCAA.

40. One of the fundamental goals of the Bankruptcy Code is the centralization of administration of a company's affairs and allowing for a uniform distribution of that company's assets. *See, e.g., In re Ionosphere Clubs, Inc.*, 922 F.2d 984, 989 (2d Cir. 1990). The Canadian Proceeding provides for such a uniform distribution scheme. The relief sought from this Court is nothing more than implementation of those distributions in the United States.

VI. The Discretionary Relief Requested is Necessary and Appropriate to Ensure the Orderly Administration of the Canadian Proceeding.

41. The recognition of a foreign proceeding as a foreign main proceeding results in automatic application (pursuant to section 1520(a) of the Bankruptcy Code) of certain Bankruptcy Code provisions to a debtor and its property within the territorial jurisdiction of the United States.

Further discretionary relief available under section 1521(a) of the Bankruptcy Code in foreign main proceedings is available upon the determination of a bankruptcy court that such relief is necessary to effectuate the purpose of chapter 15 and to protect the debtor's assets or the interests of creditors, and may include:

- A. staying the commencement or continuation of an individual action or proceeding concerning the debtor's assets, rights, obligations or liabilities to the extent they have not been stayed under section 1520(a) of the Bankruptcy Code;
- B. staying execution against the debtor's assets to the extent it has not been stayed under section 1520(a) of the Bankruptcy Code;
- C. suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 1520(a) of the Bankruptcy Code;
- D. entrusting the administration or realization of all or part of a debtor's assets in the United States to the foreign representative; and
- E. extending any relief granted under section 1519(a) of the Bankruptcy Code.

42. In addition to section 1521 of the Bankruptcy Code, section 1507 of the Bankruptcy Code provides that upon recognition of a foreign proceeding as a foreign main proceeding, a bankruptcy court "may provide additional assistance to a foreign representative under this title or under other laws of the United States", and section 105(a) of the Bankruptcy Code provides that the "court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title."

43. When considering whether to entrust the distribution of all or part of a debtor's assets to a foreign representative, a bankruptcy court must determine that the interests of creditors in the United States are sufficiently protected. 11 U.S.C. § 1521(b)

44. In connection with recognition of the Canadian Proceeding, the Foreign Representative respectfully requests that the Court: (i) pursuant to section 1521(a)(6) of the

Bankruptcy Code, extend on a final basis of all the provisional relief granted in the Provisional Relief Order, including the relief granted in the Provisional Relief Order in respect of sections 361, 362, and 365(e) of the Bankruptcy Code; (ii) entrust the administration, realization, and distribution of all of the Debtors' assets in the United States to the Foreign Representative pursuant to sections 1521(a)(5) and 1521(b) of the Bankruptcy Code; and (iii) grant, pursuant to section 1521(a)(7) of the Bankruptcy Code, any Provisional Relief (as defined in the Provisional Relief Motion) not granted pursuant to the Provisional Relief Order and any relief included in the Initial Order, the Amended and Restated Initial Order, and the SISP Order that is not granted in the Provisional Relief Order. The Foreign Representative respectfully submits that such relief is warranted under sections 105(a), 1507 and 1521 of the Bankruptcy Code and the general principles of comity that underpin chapter 15.

45. The granting of such relief is consistent with the goals of international cooperation and assistance to foreign courts embodied in chapter 15 of the Bankruptcy Code, and is necessary to effectuate the Canadian Proceeding. If granted, such relief would promote all of the legislatively enumerated objectives of section 1501(a) of the Bankruptcy Code.

46. Indeed, the Initial Order expressly authorizes the Foreign Representative to apply for foreign recognition and approval of the Canadian Proceeding in the United States pursuant to chapter 15 of the Bankruptcy Code and requests the aid and recognition of courts in the United States. *See* Initial Order ¶¶ 70–71. The Amended and Restated Initial Order and the SISP Order each have similar provisions. *See* Amended and Restated Initial Order at ¶¶ 70–71 and SISP Order at ¶¶ 23–24. Thus, in addition to the reasons set forth above, this Court should give full force and effect in the United States to the Initial Order and the SISP Order—and, if entered, to the Amended

and Restated Initial Order—under well-established principles of international comity and specifically pursuant to sections 105(a), 1507, and 1521 of the Bankruptcy Code.

47. Fair and efficient administration of the Canadian Proceeding that protects all parties in interest requires that all creditors be bound by the terms of the Canadian Proceeding and restructuring transactions as sanctioned by the Canadian Court. *See In re Energy Coal S.P.A.*, 582 B.R. 619, 626–27 (Bankr. D. Del. 2018) (acknowledging the broad principles of comity applied by United States courts in both recognition of foreign bankruptcies and post- recognition relief granted to foreign representatives).

48. If the Debtors can stay actions against their property, businesses and Directors and Officers only in Canada, there is a risk that certain of the Debtors’ creditors, contractual counterparties or other parties in interest could pursue action in the United States against the Debtors, their assets or other parties (such as the Debtors’ Directors and Officers) protected by the Initial Order and the Amended and Restated Initial Order. Indeed, the continuation of pending litigation against the Debtors and certain Directors, as described more fully in the Coulombe Declaration, would result in disparate treatment of Canadian and U.S. creditors. If parties can effectively evade the terms of the Initial Order or Amended and Restated Initial Order, and attempt to derail the SISP or the CCAA restructuring process by commencing or continuing actions in the United States, the Debtors and others involved would be required to defend any such proceedings and deplete the resources of the restructured business and prejudice its reorganized value. Therefore, relief requested by the Foreign Representative is required to prevent individual creditors acting to frustrate the purposes of the restructuring process in disregard of the Initial Order, the foremost of which is the fair and efficient administration of the Canadian Proceeding to maximize value for all creditors.

49. Specifically with respect to the Debtors' Directors and Officers, while the imposition of the automatic stay under section 362 of the Bankruptcy Code (via section 1520 or, to the extent the Canadian Proceeding is recognized as a foreign nonmain proceeding, via sections 1521 and 1507) would complement the Initial Order and Amended and Restated initial Order as they relate to a stay of proceedings against the Debtors, it is not clear that the automatic stay would necessarily protect the Directors and Officers. As noted in the Coulombe Declaration, there currently are putative class action securities and labor cases pending in the United States against certain of the Debtors and their Directors and Officers. Recognizing the stay provisions contained in the Initial Order and Amended and Restated Initial Order would ensure that Directors and Officers are protected in the U.S. to the full extent contemplated by the Initial Order and Amended and Restated Initial Order, and all parties in interest are on an equal footing with respect to the Canadian Proceeding.

50. The propriety of recognizing a director stay issued by a Canadian court overseeing a CCAA proceeding was explored at length by Judge Rakoff of the U.S. District Court for the Southern District of New York in *Collins v. Oilsands Quest, Inc.*, 484 B.R. 593 (S.D.N.Y. 2012). Though Judge Rakoff was deciding the issue of recognizing a director stay on a provisional basis pursuant to section 1519, his analysis there is equally apt here:

The stay of proceedings for officers and directors is a standard feature of proceedings under the CCAA and has routinely been enforced in the United States upon recognition of a foreign proceeding under Chapter 15. *See, e.g., In re Muscletech Research and Development Inc. et al.*, 06 Civ. 538, Dkts. 45, 46. The stay against individual directors is a fixture of Canadian bankruptcy proceedings in part because Canadian bankruptcy proceedings typically involve a claims process where claims against the company, officers, and directors are filed and handled together. *See* Tr. at 12. Although this is not always true in the United States, "[w]e are not so provincial as to say that every solution of a problem is wrong because we deal with it otherwise at home." *Ackermann v.*

Levine, 788 F.2d 830 (2d Cir.1986) (quoting *Loucks v. Standard Oil Co.*, 224 N.Y. 99, 111, 120 N.E. 198 (N.Y.1918)). Thus, for example, this Court has enforced claims processes that did not provide for a jury trial. *Ephedra*, 349 B.R. at 336.

The Court cannot conclude that the enforcement of the Canadian Court's temporary stay of proceedings would be contrary to the most fundamental policies of the United States. It is true that the protection of United States investors and the regulation of United States capital markets are matters of national public interest, and private securities class actions are an important component of that protection. *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313, 127 S.Ct. 2499, 168 L.Ed.2d 179 (2007). But, extending a temporary stay of proceedings will not be manifestly contrary to those interests. If the request for a stay had been presented to this Court in the first instance, the Court might not have granted it. But, the question here is not whether this Court should grant a stay in the first instance, but whether it should accord comity and deference to the stay orders entered by the Alberta Court. The Court concludes that in light of the comity principles laid out above, the Court must defer to the procedures set forth in the Canadian Proceedings and enforce the stay.

Id., at 597.

51. Unilateral actions taken by creditors in the United States—including those against the Debtors' Directors and Officers—would hinder the orderly administration of the Canadian Proceeding and threaten to interfere with the SISP and restructuring the Debtors seek to implement pursuant to that proceeding. Accordingly, recognition of all of the Initial Order's (and ultimately the Amended and Restated Initial Order's) stay provisions, including stays as to Directors and Officers, is appropriate under the circumstances and in furtherance of the purpose of chapter 15.

52. Recognition of the SISP Order is likewise consistent with the purpose of chapter 15. Through the SISP Order, the Canadian Court approved a process through which the Debtors can maximize, market and sell their assets—including assets within the territorial jurisdiction of the United States—under the CCAA. This Court's recognition ensures certainty to would-be buyers under the SISP that the Debtors' U.S.-based assets are within the ambit of the SISP and the

Canadian Proceeding and will ultimately aid the Debtors in maximizing value for their creditors under the CCAA.

53. Accordingly, the relief requested herein would further the objectives of chapter 15 by assisting the implementation and administration of the Canadian Proceeding.

NOTICE

54. The Foreign Representative will provide notice of the Petitions for Recognition to the “Notice Parties” in accordance with procedures set forth in the *Motion for Order (A) Scheduling Hearing on Recognition of Chapter 15 Petitions and (B) Specifying Form and Manner of Service of Notices*, filed contemporaneously herewith. In light of the nature of the relief requested, the Foreign Representative requests that the Court find no further notice is required.

CONCLUSION

WHEREFORE, the Foreign Representative respectfully requests that this Court (a) grant the relief requested in the Verified Petition and enter an order in the form attached hereto as **Exhibit A**, and (b) grant such other and further relief and additional assistance as this Court may deem just and proper.

[Signature Page Follows]

Dated: December 18, 2024
Chicago, Illinois

Respectfully Submitted,

/s/ Jonathan E. Aberman

LOCKE LORD LLP

Jonathan E. Aberman (#6255541)

Michael B. Kind (#6306332)

111 S Wacker Drive, Suite 4100

Chicago, IL 60606

Tel: (312) 443-0700

Email: jon.aberman@lockelord.com

michael.kind@lockelord.com

-and-

TROUTMAN PEPPER HAMILTON SANDERS LLP

David M. Fournier (*pro hac vice* forthcoming)

Kenneth A. Listwak (*pro hac vice* forthcoming)

Tori L. Remington (*pro hac vice* forthcoming)

Hercules Plaza

1313 N. Market Street, Suite 1000

Wilmington, DE 19801

Telephone: (302) 777-6500

Facsimile: (302) 421-8390

Email: david.fournier@troutman.com

kenneth.listwak@troutman.com

tori.remington@troutman.com

Counsel to the Foreign Representative

VERIFICATION OF PETITION

I, Richard Coulombe, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the laws of the United States of America as follows:

I am the chief financial officer of The Lion Electric Company, the authorized foreign representative for the Debtors. As such, I have full authority to verify the foregoing Verified Petition on behalf of the Debtors.

I have read the foregoing Verified Petition, and I am informed and believe that the factual allegations contained therein are true and accurate to the best of my knowledge, information and belief.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: December 18, 2024
St-Jerome, Québec

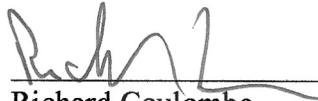

Richard Coulombe
CFO of The Lion Electric Company

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:

The Lion Electric Company, *et al.*,

Debtors in a Foreign Proceeding.¹

Chapter 15

Case No. 24-18898

Judge David D. Cleary

(Will County)

(Joint Administration Requested)

**ORDER (I) RECOGNIZING FOREIGN MAIN PROCEEDING, (II) RECOGNIZING
FOREIGN REPRESENTATIVE, (III) RECOGNIZING INITIAL ORDER, AMENDED
AND RESTATED INITIAL ORDER, AND SISP ORDER, AND
(IV) GRANTING RELATED RELIEF**

Upon consideration of the *Verified Petition for (I) Recognition of Foreign Main Proceeding (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Related Relief Under Chapter 15 of the Bankruptcy Code* (the “Verified Petition”, and together with the chapter 15 petitions filed for each of the Debtors as D.I. 1 in their respective cases, the “Petitions for Recognition”)², the Coulombe Declaration, the Martel Declaration, and the Provisional Relief Motion (collectively, the “Chapter 15 Pleadings”), each filed December 18, 2024, by or on behalf of The Lion Electric Company (“Lion Electric” or the “Foreign Representative”) in its capacity as the duly appointed

¹ The Debtors in these chapter 15 proceedings, together with the last four digits of their business number or employment identification number, as applicable, are: The Lion Electric Company (6310); Lion Electric Finance Canada Inc. (8102) (“Lion Finance Canada”); Lion Electric Vehicles Finance Canada Inc. (7415) (“Lion Vehicle Finance Canada”); Lion Electric Holding USA Inc. (0699) (“Lion Holding USA”); Northern Genesis Acquisition Corp. (7939) (“Northern Genesis”); The Lion Electric Co. USA Inc. (9919) (“Lion Electric USA”); Lion Electric Manufacturing USA, Inc. (0766) (“Lion Manufacturing USA”); and Lion Electric Finance USA, Inc. (4755) (“Lion Finance USA”). The location of the Debtors’ headquarters and the Debtors’ foreign representative is: 921 chemin de la Rivière-du-Nord, Saint-Jérôme, Québec, Canada J7Y 5G2.

² Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Verified Petition.

foreign representative of the above captioned debtors (the “Debtors”), in a voluntary restructuring proceeding (the “Canadian Proceeding”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), pending before the Superior Court of Québec (Commercial Division) (the “Canadian Court”), initiated pursuant to the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), and it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157; and it appearing that venue is proper before this Court pursuant to 28 U.S.C. § 1410; and the Court having considered and reviewed the Chapter 15 Pleadings and having held a hearing to consider the relief requested in the Petitions for Recognition (the “Hearing”); and it appearing that timely notice of the filing of the Chapter 15 Pleadings and the Hearing has been given pursuant to the *Order (A) Scheduling Recognition Hearing and (B) Specifying Form and Manner of Service of Notices* and that no other or further notice need be provided; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND DETERMINES THAT:

A. The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. These cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

C. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

D. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

E. Venue is proper before this Court pursuant to 28 U.S.C. § 1410.

F. The Canadian Proceeding is a “foreign proceeding” within the meaning of section 101(23) of the Bankruptcy Code.

G. The Canadian Proceeding is pending in Canada, which is the country in which the Debtors have their center of main interests and, as such, the Canadian Proceeding is a “foreign main proceeding” within the meaning of sections to section 1502(4) an 1517(b)(1) of the Bankruptcy Code and is entitled to recognition as a foreign main proceeding in respect of each of the Debtors.

H. The Foreign Representative is a “person,” as such term is defined in section 101(41) of the Bankruptcy Code, has been duly appointed by the Debtors and has been declared by the Canadian Court as authorized to act as the “foreign representative” with respect to the Canadian Proceeding within the meaning of section 101(24) of the Bankruptcy Code.

I. The Petitions for Recognition meet all of the requirements set forth in section 1515 of the Bankruptcy Code and Bankruptcy Rules 1007(a)(4) and 2002(q).

J. The Canadian Proceeding is entitled to recognition by the Court pursuant to section 1517(a) of the Bankruptcy Code and the Debtors have satisfied the eligibility requirements of section 109(a) of the Bankruptcy Code, as applicable.

K. The Debtors and the Foreign Representative are entitled to all of the relief set forth in section 1520 of the Bankruptcy Code.

L. Appropriate notice of the filing of, and the Hearing on, the Petitions for Recognition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.

M. The relief granted hereby is necessary and appropriate, in the interests of the public and of international comity, not inconsistent with the public policy of the United States, warranted pursuant to sections 105(a), 362, 365, 1507(a), 1509(b)(2)-(3), 1520, 1521, 1522 and 1525 of the Bankruptcy Code, and will not cause hardship to creditors of the Debtors or other parties in interests that is not outweighed by the benefits of granting that relief.

N. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Debtors and the interests of their creditors and other parties in interest.

O. Absent the relief granted hereby, the Debtors and their directors and officers may be subject to the prosecution of judicial, quasi-judicial, arbitration, administrative or regulatory actions or proceedings in connection with the Canadian Proceeding or otherwise against the Debtors and their directors and officers or their property, thereby interfering with and causing harm to, the Debtors, their creditors, and other parties in interest in the Canadian Proceeding and, as a result, the Debtors, their creditors and such other parties in interest would suffer irreparable injury for which there is no adequate remedy at law.

P. Absent the requested relief, the efforts of the Debtors, the Canadian Court and the Foreign Representative in conducting the Canadian Proceeding and effecting their restructuring or sale process therein may be thwarted by the actions of certain creditors, a result that will obstruct the purposes of chapter 15 as reflected in section 1501(a) of the Bankruptcy Code.

Q. Each of the injunctions contained in this Order (i) is within the Court's jurisdiction, (ii) is essential to the success of the Debtors' restructuring in the Canadian Proceeding, (iv) confers material benefits on, and is in the best interests of, the Debtors and their creditors, and (v) is important to the overall objectives of the Debtor' restructuring.

R. The Prepetition Agent (as defined in the Coulombe Declaration) and the Prepetition Syndicate Lenders (as defined in the Coulombe Declaration) are entitled to adequate protection of their interests in collateral that is property of the Debtors located in the territorial jurisdiction of the United States (“U.S. Collateral”), including the proceeds thereof, securing their indebtedness pursuant to sections 362(d), 363 and 364(d) of the Bankruptcy Code (the “Adequate Protection”) as a result of (x) the priming of their existing and validly perfected liens and security interests on U.S. Collateral as a result of the grant of the CCAA Charges (the “Priming”); (y) the imposition or enforcement of the stay in these chapter 15 cases; and (z) the post-petition use, sale or lease of their interests in such collateral. Accordingly, the Foreign Representative has agreed in its reasonable business judgment to provide the Adequate Protection as set forth in this Order, which terms and conditions are fair and reasonable.

S. The findings and determinations set forth in that certain *Order Granting Provisional Relief* [D.I. ____] (the “Provisional Relief Order”) are confirmed on a final basis and incorporated herein by reference.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Petitions for Recognition and the relief requested therein are granted as set forth herein.
2. The Petitions for Recognition meet the requirements of section 1515 of the Bankruptcy Code and Bankruptcy Rule 1007(a)(4).
3. The Canadian Proceeding is granted recognition with respect to each of the Debtors as a foreign main proceeding (as defined in section 1502(4) of the Bankruptcy Code) pursuant to sections 1517(a) and (b)(1) of the Bankruptcy Code.
4. Lion Electric is recognized as the “foreign representative” as defined in section 101(24) of the Bankruptcy Code in respect of the Debtors and the Canadian Proceeding.

5. The Debtors and the Foreign Representative are granted all of the relief set forth in section 1520 of the Bankruptcy Code including, without limitation, the application of the protection afforded by the automatic stay under section 362(a) of the Bankruptcy Code to the Debtors and to the Debtors' property that is now within or in the future is located within the territorial jurisdiction of the United States.

6. The Initial Order, the Amended and Restated Initial Order (as filed at D.I. ____), and the SISP Order, including any and all existing and future extensions, amendments, restatements, and/or supplements authorized by the Canadian Court, are hereby given full force and effect, on a final basis, with respect to the Debtors and the Debtors' property that now or in the future is located within the territorial jurisdiction of the United States.

7. All objections, if any, to the Petitions for Recognition or the relief requested therein that have not been withdrawn, waived, or settled by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled with prejudice on the merits.

8. Upon entry of this Order, the Canadian Proceeding is shall be and hereby is granted comity and given full force and effect in the United States and, pursuant to section 1520 of the Bankruptcy Code, among other things:

- (a) the protections of section 361, 362, and 365(e) of the Bankruptcy Code apply to the Debtors;
- (b) all persons and entities are enjoined from taking any actions inconsistent with the Canadian Proceeding and the SISP and seizing, attaching, and enforcing or executing liens or judgments against the Debtors' property in the United States or from transferring, encumbering, or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Foreign Representative; and
- (c) all persons and entities are enjoined from commencing or continuing, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or other judgment,

assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof;

- (d) all persons and entities are enjoined from commencing any suit, action, or proceeding against the Debtors, the Foreign Representative, or any of their respective successors, directors, officers, agents, employees, representatives, advisors, or attorneys in respect of any claim or cause of action, in law or in equity, arising out of or relating to any action taken or omitted to be taken in connection with these chapter 15 cases, the Canadian Proceeding, and the SISP; and
- (e) all persons and entities are enjoined from terminating or modifying an executory contract or unexpired lease at any time after the commencement of these chapter 15 cases solely because of a provision in such contract or lease is conditioned upon the commencement of the Canadian Proceeding or a case under the Bankruptcy Code

9. The Foreign Representative and the Debtors shall be entitled to the full protections and rights enumerated under sections 1521(a)(4) and (5) and 1521(b) of the Bankruptcy Code and, accordingly, the Foreign Representative:

- (a) is entrusted with the administration or realization of all or part of the Debtors' assets located in the United States and the Foreign Representative is hereby established as the exclusive representative of the Debtors in the United States; and
- (b) has the right and power to examine witnesses, take evidence, or deliver information concerning the Debtors' assets, affairs, rights, obligations, or liabilities.

10. Pursuant to section 1521(a)(6) of the Bankruptcy Code, all prior relief granted by this Court pursuant to section 1519(a) of the Bankruptcy Code shall be extended, and the Provisional Relief Order shall remain in full force and effect. To the extent there is any inconsistency between this Order and the Provisional Relief Order, the language in this Order shall control.

11. Any and all Provisional Relief (as defined in the Provisional Relief Motion) not granted in the Provisional Relief Order, if any, is hereby granted pursuant to section 1521(a)(7) of the Bankruptcy Code.

12. The Prepetition Agent and the Prepetition Syndicate Lenders are entitled to receive Adequate Protection of their interests in all U.S. Collateral on which they hold existing and validly perfected liens and security interests, on a dollar-for-dollar basis for any actual diminution in value of such interest resulting from the Priming, the imposition or enforcement of the stay in these Chapter 15 Cases, or the post-petition use, sale or lease of their interests in such collateral by the Debtors. Accordingly, the Adequate Protection Parties are hereby granted valid, binding, enforceable and perfected liens as of the date of the Initial Order, without the necessity of execution by the Debtors of, or the filing of, any mortgages, security agreements, pledge agreements, financing statements or other agreements, in all post-petition assets of the Debtors located within the territorial jurisdiction of the United States to secure an amount of their indebtedness equal to any such diminution in value, which liens shall attach to such assets of the Debtors located within the territorial jurisdiction of the United States, subject to the post-petition liens securing the Interim Facility, subject to any valid, properly perfected, enforceable liens or security interests existing as of the date of the Initial Order that are prior to the prepetition liens and security interests securing the Prepetition Secured Credit Facility (as defined in the Coulombe Declaration) and subject to the priority of the CCAA Charges set forth in the Initial Order or the Amended and Restated Initial Order.

13. As further Adequate Protection, but without limiting any relief that may be granted in the Canadian Proceeding, any obligations owed to the Prepetition Agent or the Prepetition Syndicate Lenders secured by a valid, enforceable, and perfected security interest upon or in respect of U.S. Collateral pursuant to a security agreement which includes as collateral thereunder any property acquired after the date of the applicable security agreement (“After-Acquired Property”), shall continue to be secured by the applicable property (including After Acquired

Property that may be acquired by such Debtor after the commencement of these proceedings) located in the territorial jurisdiction of the United States notwithstanding the commencement of these proceedings and notwithstanding anything set forth in section 552(a) of the Bankruptcy Code to the contrary, with the same priority and rights as existed as of the date of the Initial Order, but subject to the senior liens, charges, and priorities granted by the Initial Order and the Amended and Restated Initial Order, including but not limited to the CCAA Charges; provided that subject only to and effective upon entry of this Order, the Prepetition Agent or the Prepetition Syndicate Lenders shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code.

14. No action, inaction, or acquiescence by the DIP Lenders, the Prepetition Agent or the Prepetition Syndicate Lenders shall be deemed to be or shall be considered as evidence of any alleged consent by the DIP Lenders or the Prepetition Agent or the Prepetition Syndicate Lenders to a charge against the collateral pursuant to sections 506(c), 552(b), or 105(a) of the Bankruptcy Code; provided that the CCAA Charges shall have the effect and priority granted in the Initial Order and the Amended and Restated Initial Order. Without limiting any relief that may be granted in the Canadian Proceeding, none of the DIP Lenders, the Prepetition Agent or the Prepetition Syndicate Lenders shall be subject in any way whatsoever to the equitable doctrine of “marshaling” or any similar doctrine with respect to their U.S. Collateral.

15. Without limiting any relief that may be granted in the Canadian Proceeding, no person or entity shall be entitled, directly or indirectly, whether by operation of sections 506(c), 552(b), or 105 of the Bankruptcy Code or otherwise, to direct the exercise of remedies or seek (whether by order of this Court or otherwise) to marshal any U.S. Collateral by the Interim Lenders, the Prepetition Agent or the Prepetition Syndicate Lenders after a breach under the DIP Term Sheet or the DIP Documentation, the Initial Order, the Amended and Restated Initial Order,

the Provisional Relief Order or this Order, and in no event shall the “equities of the case” exception of section 552(b) of the Bankruptcy Code apply to the secured claims of the Interim Lenders, the Prepetition Agent or the Prepetition Syndicate Lenders.

16. Any advances made to the Debtors by the Interim Lenders pursuant to the Provisional Relief Order, this Order, the Initial Order, the Amended and Restated Initial Order, or the Interim Financing Documents shall, pursuant to sections 1507, 1519, 1521 and 105(a) of the Bankruptcy Code, be deemed to have been made by the Interim Lenders in good faith. Without limiting any relief that may be granted in the Canadian Proceeding, and notwithstanding (a) any stay, modification, amendment, supplement, vacatur, revocation or reversal of this Order, the Provisional Relief Order, the Initial Order, the Amended and Restated Order, the Interim Financing Documents or any term hereunder or thereunder, or (b) the dismissal of one or more of these chapter 15 cases or the commencement of a case by any of the Debtors under another chapter of the Bankruptcy Code or the conversion of a case of any of the Debtors from a case under one chapter of the Bankruptcy Code to a case under another chapter of the Bankruptcy Code (each, a “Subject Event”), (x) the acts taken by the Interim Lenders in accordance with this Order, and (y) the indebtedness incurred or arising prior to the Interim Lenders’ actual receipt of written notice from Debtors expressly describing the occurrence of such Subject Event shall, in each instance, be governed in all respects by the original provisions of this Order, and the acts taken by the Interim Lenders in accordance with this Order, and the liens granted to or for the benefit of the Interim Lenders, and all other rights, remedies, privileges, and benefits in favor of the DIP Lenders pursuant to this Order and the Interim Financing Documents shall remain valid and in full force and effect to the extent provided in to section 364(e) of the Bankruptcy Code.

17. Nothing in this Order shall affect the rights of any secured party to request adequate protection pursuant to the Bankruptcy Code in addition to any adequate protection granted under this Order, or the rights of any party in interest to respond to such request, and all such rights are expressly reserved.

18. Pursuant to 11 U.S.C. § 1521(a)(1)-(3), all persons and entities, other than the Foreign Representative and his representatives and agents, are hereby enjoined (to the extent they have not been stayed under section 1520(a)) from:

- (a) execution against any of the Debtors' or their respective directors' and officers' (the "Protected Parties") assets;
- (b) the commencement or continuation, including the issuance or employment of process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements or otherwise, against any Debtors or other Protected Parties, which in either case is in any way related to the Debtors or would otherwise interfere with the administration of the Debtors' estates in the Canadian Proceeding;
- (c) taking or continuing any act to create, perfect or enforce a lien or other security interest, setoff or other claim against any Debtors or other Protected Parties or any of their property or proceeds thereof;
- (d) transferring, relinquishing or disposing of any property of any of the Debtors to any person or entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative;
- (e) commencing or continuing an individual action or proceeding concerning the Debtors' or other Protected Parties' assets, rights, obligations or liabilities; and
- (f) declaring or considering the filing of the Canadian Proceeding or these chapter 15 cases, or the solvency or financial condition of any Debtors, a default or event of default under any agreement, contract or arrangement

19. Any parties who believe they have a claim against any of the Debtors are obligated to file such claim in, and only in, the Canadian Proceeding.

20. The Foreign Representative, the Debtors, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or the Local Rules.

21. No action taken by the Foreign Representative, the Debtors, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the Canadian Proceeding, this Order, these chapter 15 cases, or any adversary proceeding herein, or contested matters in connection therewith, or any further proceeding commenced hereunder shall be deemed to constitute a waiver of the rights or benefits afforded such persons under sections 306 and 1510 of the Bankruptcy Code.

22. The relief granted hereby is necessary and appropriate, in the interests of the public and of international comity, not inconsistent with any public policy of the United States, warranted pursuant to sections 1507(a), 1509(b)(2)-(3), 1520, 1521(a), and 1522 of the Bankruptcy Code, and will not cause hardship to creditors of the Debtors, or to any other parties in interest, in each case that is not outweighed by the benefits of granting such relief.

23. The Foreign Representative and the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

24. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

25. A copy of this Order shall be served within five business days of entry of this order, by electronic mail to the extent email addresses are available and otherwise by U.S. mail, overnight or first-class postage prepaid, upon the Notice Parties (as defined in the *Motion for Order (A) Scheduling Hearing on Recognition of Chapter 15 Petitions and (B) Specifying Form and*

Manner of Service of Notices) and such other entities as the Court may direct. Such service shall be good and sufficient service and adequate notice for all purposes.

26. This Order applies to all parties in interest in these chapter 15 cases and all of their agents, employees, and representatives, and all those who act in concert with them who receive notice of this Order.

27. This Court shall retain jurisdiction with respect to the enforcement, amendment, interpretation or modification of this Order, any requests for additional relief, any adversary proceeding in and through these chapter 15 cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced within the jurisdiction of this Court.

Exhibit B

Certified Copy of SISP Order



**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;

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- [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

PAGE 3

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**")

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

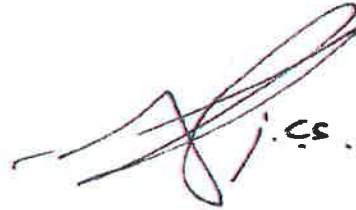
- [17] **AUTHORIZES** The Lion Electric Company to execute the Financial Advisor Engagement Letter.
- [18] **AUTHORIZES** The Lion Electric Company to perform any obligations under the Engagement Letter and to take any action that could be necessary or useful to give full effect to the terms of the Engagement 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.

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[25] THE WHOLE WITHOUT COSTS.



Digitally signed by
Michel A. Pinsonnault
Date: 2024.12.18
14:08:56 -05'00'

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

Date of hearing: December 18, 2024

COPIE CERTIFIÉE CONFORME
AU DOCUMENT DÉTENU PAR LA COUR



GREFFIERE-ADJOINTE

Maryse Asselin

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.

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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.

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<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

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<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

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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

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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;

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- (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 SISP 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;

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- (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.

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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

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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

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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.

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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

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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

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- (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.

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- (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

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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).

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"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 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,

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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.

COPIE CERTIFIÉE CONFORME
AU DOCUMENT DÉTENU PAR LA COUR

GREFFIÈRE-ADJOINTE

Maryse Asselin

Exhibit C

Proposed Amended and Restated Initial Order

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE
NO:
DATE: January [7], 2025

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

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

THE LION ELECTRIC COMPANY

-and-

LION ELECTRIC FINANCE CANADA INC.

-and-

LION ELECTRIC VEHICLE FINANCE CANADA INC.

-and-

LION ELECTRIC HOLDING USA INC.

-and-

NORTHERN GENESIS ACQUISITION CORP.

-and-

THE LION ELECTRIC CO. USA INC.

-and-

LION ELECTRIC MANUFACTURING USA INC.

-and-

LION ELECTRIC FINANCE USA INC.

Debtors/Applicants

-and-

DELOITTE RESTRUCTURING INC.

Monitor

AMENDED AND RESTATED INITIAL ORDER

- [1] **ON READING** the Debtors' *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order* dated December 17, 2024 (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 Second Report to the Court submitted by Deloitte Restructuring Inc. in its capacity as Monitor dated [●], 2024 (the "**Monitor's Report**");
- [3] **CONSIDERING** the Initial Order issued by this Court on December 18, 2024;
- [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;
- [6] **CONSIDERING** the provisions of the CCAA;

THE COURT HEREBY:

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

XXIII. 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 Debtors 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 January [7], 2025 (the “**Effective Time**”).

IV. APPLICATION OF THE CCAA AND ADMINISTRATIVE CONSOLIDATION

- [13] **DECLARES** that the Debtors are debtor companies to which the CCAA applies.
- [14] **ORDERS** the consolidation of these CCAA proceedings of the Debtors (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 [●].
- [15] **DECLARES** that the consolidation of the CCAA Proceedings in respect of the Debtors 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 Debtors including, without limitation, for the purposes of any Plan or Plans that may be hereafter proposed.

V. PLAN OF ARRANGEMENT

- [16] **DECLARES** that one or more of the Debtors shall have the authority to file with this Court and to submit to its creditors one or more plans of compromise or arrangement (a “**Plan**”) in accordance with the CCAA.

VI. STAY OF PROCEEDINGS AGAINST THE DEBTORS AND THE PROPERTY

- [17] **ORDERS** that, until and including February [14], 2024, 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 existing at the time of this Order in which any of the Debtors is a defendant, party or respondent (either individually or with other Persons (as defined below)) shall be commenced or continued against or in respect of any of the Debtors, or affecting any of the Debtors' business operations and activities (the "**Business**") or any of the Property (as defined herein below), including as provided in paragraph [24] herein except with leave of this Court. All Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to Section 11.1 of the CCAA.

- [18] **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 Section 11.09 of the CCAA.

VII. STAY OF PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

- [19] **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 Debtors nor against any person deemed to be a former, present or future director or an officer of any of the Debtors 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 Debtors 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.

VIII. POSSESSION OF PROPERTY AND OPERATIONS

- [20] **ORDERS** that the Debtors 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.
- [21] **ORDERS** that the Debtors 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 strict accordance with the Projections (as defined below), subject to the Variance Threshold (as defined below) or with the prior consent of the Monitor and the Interim Lender:
- (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 Debtors in connection with these proceedings, at their standard rates and charges.

[22] **ORDERS** that the Debtors are authorized to remit or pay the following expenses, in accordance with legal requirements, provided that such expenses are made in strict accordance with the Projections (as defined below), subject to the Variance Threshold (as defined below), or 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;
- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, **Sales Taxes**) required to be remitted by the Debtors and in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order.

IX. NO EXERCISE OF RIGHTS OR REMEDIES

[23] **ORDERS** that during the Stay Period, and subject to, *inter alia*, Section 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 Debtors, or affecting the Business, the Property or any part thereof, including, any contractual right of any third party to modify any of the Debtors' existing rights as a result of any event of default or of non-performance by the Debtors under any agreement (including any bond, surety, indemnity or other comparable agreement), including by reason of the insolvency of the Debtors, the commencement CCAA Proceedings and/or any admissions or evidence filed by the Debtors in the CCAA Proceedings, are hereby stayed and suspended except with leave of this Court.

[24] **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Debtors 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 Debtors, 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

Debtors, 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 Debtors in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

X. NO INTERFERENCE WITH RIGHTS

- [25] **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 Debtors, except with the written consent of the Debtors, as applicable, and the Monitor, or with leave of this Court.

XI. CONTINUATION OF SERVICES

- [26] **ORDERS** that during the Stay Period and subject to paragraph [28] hereof and Section 11.01 of the CCAA, all Persons having verbal or written agreements with the Debtors 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 Debtors, 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 Debtors, and that the Debtors 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 Debtors, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Debtors, as applicable, with the consent of the Monitor, or as may be ordered by this Court.
- [27] **ORDERS** that, subject to Section 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 Debtors 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 Debtors.
- [28] **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 Debtors with any Person during the Stay Period, whether in an operating account or otherwise for itself 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 itself for the amount of any cheques drawn by the Debtors and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into any of the Debtors' accounts until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

XII. NON-DEROGATION OF RIGHTS

- [29] **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 Debtors 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.

XIII. INTERIM FINANCING

- [30] **ORDERS** that the Debtors are authorized to borrow from National Bank of Canada ("**NBC**"), Fédération des Caisses Desjardins du Québec ("**Desjardins**") and Bank of Montreal ("**BMO**" and together with NBC and Desjardins collectively the "**Interim Lender**"), from time to time, a maximum principal amount of up to USD\$10,000,000 (the "**Interim Facility**") outstanding at any time, on the terms and conditions as set forth in the Interim Financing Loan Agreement, Exhibit R-10 filed in support of the Application (the "**Interim Financing Loan Agreement**"), with the Cash Flow Projections as Appendix B thereto (under seal Exhibit R-10A), and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of the Debtors and to pay such other amounts as are permitted by the terms of this Order, the Interim Financing Documents and the Projections (as defined below).
- [31] **ORDERS** that the Debtors are hereby authorized to execute and deliver the Interim Financing Loan Agreement together with such other credit agreements, guarantees, security documents and other definitive documents (collectively, with the Interim Financing Loan Agreement, the "**Interim Financing Documents**") as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Loan Agreement, and the Debtors are authorized and ordered to perform all of their obligations under the Interim Financing Documents.
- [32] **ORDERS** that the Debtors 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**") under the Interim Financing Documents and shall perform all of their other obligations to the Interim Lender pursuant to the Interim Financing Documents and this Order.

- [33] **DECLARES** that all of the Property of the Debtors is hereby subject to a charge, hypothec and security for an aggregate amount of USD\$12,000,000 (the “**Interim Lender Charge**”) in favour of the Interim Lender as security for all obligations of the Debtors 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 [58] and [59] of this Order.
- [34] **ORDERS** that the claims of NBC, Desjardins and BMO pursuant to any of its contracts, agreements and arrangements entered into with any of the Debtors, including the Interim Financing Loan Agreement and any other Interim Financing Documents, shall not be compromised or arranged pursuant to the 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, NBC, Desjardins and BMO shall remain and be treated, at all times and under all circumstances, as an unaffected creditor in these proceedings (including with respect to the stay of proceedings ordered in this Order) or any other proceedings under the BIA, and in any Plan or Proposal.
- [35] **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; and
 - (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Debtors if any of them fail to meet the provisions of the Term Sheet, of the Interim Financing Documents, or of this Order or any other order which may eventually be issued by this Court.
- [36] **TAKES ACT** of the Debtors’ agreement that upon the occurrence of an “DIP Event of Default” under the Interim Financing Loan Agreement which is continuing, the Interim Lender may, in accordance with the terms of such Interim Financing Loan Agreement, (i) suspend the advance of any further portion of the Interim Facility, (ii) terminate the Interim Lender commitment under the Interim Financing Loan Agreement, (iii) declare all amounts owing under the Interim Financing Loan Agreement to be immediately due and payable (iv) apply for the appointment of a receiver, interim receiver or similar court-officer over the Property, including a “super-monitor” with increased powers over the Property and the operations of the Debtors, to which the Debtors will not oppose to, (v) exercise the powers of a secured creditor under the Civil Code of Quebec or any legislation of similar effect, if any, and (vi) exercise all such other rights and remedies under the Interim Financing Documents and this Order or any other order of this Court.

- [37] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs [30] to [35](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 apply for or consent to such order.

XIV. CDPQ-FINALTA LENDERS

- [38] **ORDERS** that the claims of 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.) ("**Finalta**") and CDPQ Revenu Fixe I Inc. (the "**CDPQ-Finalta Lenders**") 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 (collectively, the "**CDPQ-Finalta Loan Agreement**"), shall not be compromised or arranged pursuant to the Plan or any proposal (a "**Proposal**") to be filed pursuant to the BIA and, notwithstanding any provision of this Order or any other order to be rendered in the context of these proceedings, the CDPQ-Finalta Lenders shall remain and be treated, at all times and under all circumstances, as unaffected creditors in these proceedings (including with respect to the stay of proceedings ordered in this Order) or any proceedings under the BIA, and in any Plan or Proposal, but only with respect to the *Biens en priorité de Finalta* (the "**Biens en priorité Finalta**"), as such terms are defined in the *convention entre créanciers* (intercreditor agreement) dated November 7, 2022, entered into among Finalta, in its capacity as agent and hypothecary representative for the CDPQ-Finalta Lenders and NBC, as amended, supplemented, restated or otherwise modified from time to time (the "**NBC/CDPQ-Finalta Intercreditor Agreement**"), and the CDPQ-Finalta Lenders shall not be subject to any limitations on their rights or remedies with respect to the *Biens en priorité Finalta*, shall be entitled to enforce their respective contractual rights, including security interests and claims with respect to the *Biens en priorité Finalta*, and nothing in this Order shall prevent them from exercising any rights under their agreements with respect to the *Biens en priorité Finalta*.
- [39] **ORDERS** the Debtors to forthwith remit any amount which constitutes the *Biens en priorité de Finalta* to the CDPQ-Finalta Lenders, provided that any such amounts will be applied to reduce the indebtedness of the Debtors under the CDPQ-Finalta Loan Agreement.

XV. FINANCIAL PROJECTIONS

- [40] **ORDERS** that the financial projections filed as Appendix A to the Proposed Monitor's Report (the "**Projections**") are hereby approved and **ORDERS** the Debtors to: (i) comply with the Projections, subject to any negative variance of up to 10% on an aggregate basis (the "**Variance Threshold**") in connection with the *Total Disbursements* set out in the Projections or to (ii) consult and obtain the prior

written approval of the Interim Lender in connection with any negative variance to the Projections in excess of the Variance Threshold.

XVI. DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

- [41] **ORDERS** that the Debtors shall indemnify their 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 Debtors 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 Section 11.51 of the CCAA.
- [42] **ORDERS** that the Directors and Officers of the Debtors 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 USD\$1,900,000 (the "**Directors and Officers' Charge**"), as security for the indemnity provided in paragraph [41] 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 [58] and [59] of this Order.
- [43] **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 [41] of this Order.

XVII. KEY EMPLOYEE RETENTION PLAN

- [44] **ORDERS** that the terms of the key employee retention plan (the "**KERP**") reflected Exhibit R-11 to the Application, are hereby approved and the Debtors are hereby authorized to implement the KERP and to make the payments contemplated therein.
- [45] **DECLARES** that the beneficiaries of the KERP are entitled to the benefit of and are hereby granted a charge, hypothec and security affecting the Property to the extent of the aggregate amount of USD\$1,500,000 (the "**KERP Charge**"), having the priority established by paragraphs [58] and [59] of this Order.

XVIII. RESTRUCTURING

- [46] **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 Debtors, in consultation with the Interim Lender, shall have the right, subject to approval of the Monitor 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 and make provision for the consequences thereof in the Plan;
- (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 the prior written approval of the Interim Lender and further order of the Court and sections 11.3 and 36 of the CCAA, and under reserve of subparagraph [46](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 and that the prior written approval of the Interim Lender is obtained;
- (d) terminate the employment of such of their employees or temporarily or permanently lay off such of their employees as the Debtors deem appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on such terms as may be agreed upon between the Debtors, as applicable, and such employee, or failing such agreement, make provision to deal with, any consequences thereof in the Plan, as the Debtors may determine;
- (e) subject to the provisions of Section 32 of the CCAA, disclaim or resiliate, any of the Debtors' agreements, contracts, or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Debtors and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- (f) subject to Section 11.3 of the CCAA, assign any rights and obligations of the Debtors.

[47] **DECLARES** that, in order to facilitate the Restructuring, the Debtors, in consultation with the Interim Lender, may also, subject to the approval of the Monitor, or further order of the Court, 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 Projections (subject to the Variance Threshold), or otherwise with the prior written consent of the Interim Lender.

[48] **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of any of the Debtors pursuant to Section 32 of the CCAA and Subsection [46](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 Debtors 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 Debtors, provided nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

[49] **ORDERS** that the Debtors shall provide to any relevant landlord notice of any of Debtors' intention to remove any fittings, fixtures, installations, or leasehold improvements at least seven (7) days in advance. If the Debtors 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 Debtors and the landlord.

[50] **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Debtors 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 the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Debtors 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 Debtors or destroyed. If a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the 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 Debtors.

XIX. POWERS OF THE MONITOR

[51] **ORDERS** that Deloitte Restructuring Inc. is hereby appointed to monitor the business and financial affairs of the Debtors as an officer of this Court (the "**Monitor**") 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 (the "**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 Debtors of more than \$1,000, 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 Section 23(1)(a) of the CCAA and the regulations made thereunder;

- (b) shall monitor the Debtors' receipts and disbursements;
- (c) shall assist the Debtors, to the extent required by the Debtors, in dealing with their creditors and other interested Persons during the Stay Period;
- (d) shall assist the Debtors, to the extent required by the Debtors, with the preparation of their cash flow projections and any other projections or reports and the development, negotiation, and implementation of a Plan;
- (e) shall advise and assist the Debtors, to the extent required by the Debtors, to review the Debtors' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- (f) shall assist the Debtors, to the extent required by the Debtors, 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 the Plan;
- (g) shall report to the Court on the state of the business and financial affairs of the Debtors 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 Debtors;
- (h) shall report to the Interim Lender and the CDPQ-Finalta Lenders, on demand and as requested by the Interim Lender and the CDPQ-Finalta Lenders, on the state of the operations, business and financial affairs of the Debtors or developments in these proceedings or any related proceedings, including with respect to any solicitation efforts to be made in connection with the Debtors' Property;
- (i) shall report to this Court and interested parties, including but not limited to creditors affected by any Plan, with respect to the Monitor's assessment of, and recommendations with respect to, such Plan;
- (j) 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;

- (k) 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;
- (l) may give any consent or approval as may be contemplated by the Order or the CCAA;
- (m) may hold and administer funds in connection with arrangements made among the Debtors, any counterparties and the Monitor, or by Order of this Court; and
- (n) 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 Debtors, and the Monitor is not empowered to take possession of the Property nor to manage any of the business and financial affairs of the Debtors nor shall the Monitor be deemed to have done so.

- [52] **ORDERS** that, without limiting the generality of anything herein, the Debtors 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 Debtors in connection with the Monitor's duties and responsibilities hereunder.
- [53] **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Debtors with information in response to requests made by them in writing addressed to the Monitor and copied to the counsel for the Debtors. In the case of information that the Debtors 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 Debtors unless otherwise directed by this Court.
- [54] **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Debtors or continues the employment of the Debtors' employees, the Monitor shall benefit from the provisions of Section 11.8 of the CCAA.
- [55] **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.

[56] **ORDERS** that the Debtors shall pay, in accordance with the Projections, the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Debtors' legal counsel, the Interim Lender's legal counsel and financial advisor (if required), directly related to these proceedings, a Plan and the Restructuring, 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.

[57] **DECLARES** that the Monitor, the Monitor's legal counsel (Lavery, De Billy LLP), the legal counsel for the Debtors (Stikeman Elliott LLP, Troutman Pepper Hamilton Sanders LLP and Locke Lord LLP), the legal (Fasken Martineau DuMoulin LLP and Chapman and Cutler LLP) and financial advisors, if required, for the Interim Lender, and National Bank Financial Inc., as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan and the Restructuring, 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 USD\$1,300,000 (the "**Administration Charge**"), having the priority established by paragraphs [58] and [59] of this Order;

XX. PRIORITIES AND GENERAL PROVISIONS RELATING TO CCAA CHARGES

[58] **DECLARES** that the priorities of the Administration Charge, the Directors and Officers' Charge, the Interim Lender Charge, the KERP Charge and the Financial Advisor 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;
- (c) third, the Interim Lender Charge;
- (d) fourth, the KERP Charge; and
- (e) fifth, the Financial Advisor Charge¹.

[59] **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; provided that, and notwithstanding the foregoing or anything else to the contrary, the CCAA Charges shall take rank, in accordance with their respective rank provided for herein, immediately following all existing movable hypothecs and security agreements granted by the Applicants to the CDPQ-Finalta Lenders, but only with respect to

¹ As such term is defined and provided for in the SISP Order issued on December 18, 2024.

the *Biens en priorité de Finalta*, as such term is defined in the NBC/CDPQ-Finalta Intercreditor Agreement.

- [60] **ORDERS** that, except as otherwise expressly provided for herein, the Debtors shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Debtors, as applicable, obtain the prior written consent of the Monitor and of the Interim Lender and the prior approval of the Court.
- [61] **DECLARES** that each of the CCAA Charges shall attach, having the priority established by paragraphs [58] and [59] of this Order, as of the Effective Time, to all present and future Property of the Debtors, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
- [62] **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 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 Debtor; 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 Debtors (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 Debtors of any Third-Party Agreement to which any of the Debtors 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.
- [63] **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 Debtor; and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by any of the Debtors 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.

- [64] **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Debtors 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 Debtors.

XXI. HEARING SCHEDULING AND DETAILS

- [65] **ORDERS** that, subject to further Order of this Court, all applications in these CCAA proceedings are to be brought by any moving party on not less than five (5) calendar days' notice to all Persons on the service list prepared by the Monitor or counsel for the Monitor in connection with these CCAA proceedings (the "**Service List**"). Each application shall specify a date (the "**Initial Return Date**") and time (the "**Initial Return Time**") for the hearing.
- [66] **ORDERS** that any Person wishing to object to the relief sought on an application in these CCAA proceedings must serve responding materials or a notice stating the objection to the application and the grounds for such objection (a "**Notice of Objection**") in writing to the moving party, the Debtors and the Monitor, with a copy to all Persons on the Service List, no later than 5:00 p.m. on the date that is three (3) calendar days prior to the Initial Return Date (the "**Objection Deadline**").
- [67] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of these proceedings (the "**Presiding Judge**") may determine: (a) whether a hearing is necessary; (b) whether such hearing will be in person, by videoconference, by telephone or by written submissions only; and (c) the parties from whom submissions are required (collectively, the "**Hearing Details**"). In the absence of any such determination, a hearing will be held in the ordinary course.
- [68] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Debtors' counsel shall communicate with the Presiding Judge regarding whether a determination has been made by the Presiding Judge concerning the Hearing Details. The Debtors' counsel shall thereafter advise the Service List of the Hearing Details and the Monitor shall report upon its dissemination of the Hearing Details to the Court in a timely manner, which may be contained in the Monitor's next report in these proceedings.
- [69] **ORDERS** that, if a Notice of Objection is served by the Objection Deadline, the interested parties shall appear before the Presiding Judge on the Initial Return Date at the Initial Return Time, or such earlier or later time as may be directed by the Court, to, as the Court may direct: (a) proceed with the hearing on the Initial Return Date and at the Initial Return Time; or (b) establish a schedule for the delivery of materials and the hearing of the contested application and such other matters, including interim relief, as the Court may direct.

XXII. FOREIGN PROCEEDINGS

- [70] **ORDERS** that The Lion Electric Company is hereby authorized and empowered, but not required, to act as foreign representative (in such capacity, the “**Foreign Representative**”) in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.
- [71] **ORDERS** that the Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532.
- [72] **DECLARES** that, for the purposes of any applications authorized by paragraphs [70] and [71], the Debtors’ centre of main interest is located in the province of Québec, Canada.

XXIII. GENERAL

- [73] **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 Debtors or of the Monitor in relation to the Business or Property of the Debtors, without first obtaining leave of this Court, upon ten (10) days’ written notice to the Debtors counsel, the Monitor’s counsel, and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.
- [74] **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 Debtors under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.
- [75] **DECLARES** that, except as otherwise specified herein, the Debtors 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 Debtors and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if by ordinary mail.
- [76] **DECLARES** that the Debtors 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.
- [77] **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 Debtors 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.

- [78] **DECLARES** that the Debtors 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.
- [79] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [80] **AUTHORIZES** the Debtors or the Monitor to apply as they may consider necessary or desirable, with the prior written approval of the Interim Lender, 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, for 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 Debtors and the Monitor and the Foreign Representative as may be deemed necessary or appropriate for that purpose.
- [81] **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 Debtors, 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 Debtors, 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 Debtors in any foreign proceeding, to assist the Debtors, and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.
- [82] **ORDERS** that Appendix B to the Interim Financing Term Sheet (Exhibit R-10A), a summary table setting out the material terms of the KERP and the KERP letters (Exhibit R-11) and the copy of the December NBF Engagement Letter (Exhibit R-12) are confidential and are filed under seal.
- [83] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without security.
- [84] **THE WHOLE WITHOUT COSTS.**

The Honourable Michel A. Pinsonnault, J.S.C.