

Form G-3 (20241101)

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

In re:)	Chapter 15
The Lion Electric Company, et al.,)	
)	No. 24-18898
)	
Debtor(s))	Judge David D. Cleary

NOTICE OF MOTION

TO: See attached list

PLEASE TAKE NOTICE that on February 26, 2025, at 10:00 a.m., I will appear before the Honorable David D. Cleary, or any judge sitting in that judge's place, **either** in courtroom 644 of the Everett McKinley Dirksen United States Courthouse, 219 S. Dearborn Street, Chicago, IL 60604 **or** electronically as described below, and present the motion of the Foreign Representative of the above-captioned Debtors [to/for] Recognize Second Amended and Restated Initial Order, a copy of which is attached.

Important: Only parties and their counsel may appear for presentment of the motion electronically using Zoom for Government. All others must appear in person.

To appear by Zoom using the internet, go to this link: <https://www.zoomgov.com/>. Then enter the meeting ID and passcode.

To appear by Zoom using a telephone, call Zoom for Government at 1-669-254-5252 or 1-646-828-7666. Then enter the meeting ID and passcode.

Meeting ID and passcode. The meeting ID for this hearing is 161 122 6457, and the passcode is Cleary644. The meeting ID and passcode can also be found on the judge's page on the court's web site.

If you object to this motion and want it called on the presentment date above, you must file a Notice of Objection no later than two (2) business days before that date. If a Notice of Objection is timely filed, the motion will be called on the presentment date. If no Notice of Objection is timely filed, the court may grant the motion in advance without calling it.

By: /s/ Jonathan E. Aberman

Jonathan E. Aberman (#6255541)
Troutman Pepper Locke LLP
111 S Wacker Drive, Suite 4100
Chicago, IL 60606
Tel: (312) 443-0700
jon.aberman@troutman.com

CERTIFICATE OF SERVICE

I, Jonathan E. Aberman,

☒ an attorney, certify

- or -

☐ a non-attorney, declare under penalty of perjury under the laws of the United States of America

that I served a copy of this notice and the attached motion on each entity shown on the attached list at the address shown and by the method shown on February 18, 2024, at 4:00 p.m. *

/s/ Jonathan E. Aberman

[Signature]

*All applicable boxes must be checked and all blanks filled in.

<u>Category</u>	<u>Counterparty Name and Address</u>	<u>Email</u>	<u>Method of Service</u>
Debtors	The Lion Electric Company, et. al. Attn: Dominique Perron 921 chemin de la Rivière-du-Nord Saint-Jérôme, Québec Canada J7Y 5G2	Dominique.Perron@thelionelectric.com	Email
Debtors	Stikeman Elliott S.E.N.C.R.L., S.R.L. Attn: Guy Martel, Danny Duy Vu, Nathalie Nouvet, and Darien Bahry 1155 René-Lévesque W. Suite 4100 Montreal (Quebec) H3B 3V2	gmartel@stikeman.com ddvu@stikeman.com nnouvet@stikeman.com dbahry@stikeman.com	Email
Persons Authorized to Administer Foreign Proceeding	Deloitte Restructuring Inc. Attn: Jean-Francois Boucher 8 Adelaide St. West, Suite 200 Toronto, ON M5H 0A9	jeaboucher@deloitte.ca	Email
U.S. Counsel to Pending Litigation	ROBBINS GELLER RUDMAN & DOWD LLP Attn: Randall J. Baron, Benny C. Goodman III, and Erik W. Luedeke 655 W. Broadway, Suite 1900 San Diego, CA 92101	randyrb@rgrdlaw.com; bennyg@rgrdlaw.com; eluedeke@rgrdlaw.com	Email
U.S. Counsel to Pending Litigation	BRONSTEIN, GEWIRTZ & GROSSMAN, LLC Attn: Peretz Bronstein and Eitan Kimelman 60 East 42nd Street, 46th Floor New York, NY 10165	peretz@bgandg.com neil@bgandg.com	Email
U.S. Counsel to Pending Litigation	ABRAHAM, FRUCHTER & TWERSKY, LLP Attn: Jack G. Fruchter 450 Seventh Avenue, 38th Floor New York, NY 10123	jfruchter@aftlaw.com	Email
U.S. Counsel to Pending Litigation	GRANT & EISENHOFER P.A. Attn: Christine M, Mackintosh and Kelly L. Tucker 123 S. Justison Street, 7th Floor Wilmington, DE 19801	cmackintosh@gelaw.com ktucker@gelaw.com	Email
U.S. Counsel to Pending Litigation	ROBBINS LLP Attn: Brian J. Robbins, Gregory E. Del Gaizo, and Mario D. Valdovinos 5060 Shoreham Place, Suite 300 San Diego, CA 92122		1st Class Mail
U.S. Counsel to Pending Litigation	ABRAHAM, FRUCHTER & TWERSKY, LLP Attn: Jack G. Fruchter 450 Seventh Avenue, 38th Floor New York, NY 10123	jfruchter@aftlaw.com	Email
U.S. Counsel to Pending Litigation	ROBBINS GELLER RUDMAN & DOWD LLP Attn: Tayler D. Bolton 1521 Concord Pike, Suite 301 Wilmington, DE 19803	tbolton@rgrdlaw.com	Email
U.S. Counsel to Pending Litigation	GRANT & EISENHOFER P.A. Attn: David Wissbroecker 2325 3rd Street, Suite 329 San Francisco, CA 94107	dwissbroecker@gelaw.com	Email

Category	Counterparty Name and Address	Email	Method of Service
U.S. Counsel to Pending Litigation	THE ROSEN LAW FIRM, P.A. Attn: Jacob A. Goldberg and Leah Heifetz-Li 101 Greenwood Avenue Suite 440 Jenkintown, PA 19046	jgoldberg@rosenlegal.com lheifetz@rosenlegal.com	Email
U.S. Counsel to Pending Litigation	Monteverde & Associates PC Attn: Juan Eneas Monteverde The Empire State Building 350 Fifth Avenue, Suite 4740 New York, NY 10118	jmonteverde@monteverdelaw.com	Email
U.S. Counsel to Pending Litigation	RIGRODSKY LAW, P.A. Attn: Timothy John MacFall 825 East Gate Boulevard, Suite 300 Garden City, NY 11530	tjm@rl-legal.com	Email
U.S. Counsel to Pending Litigation	WILENCHIK & BARTNESS P.C. Attn: Dennis I. Wilenchik 2810 North Third Street Phoenix, AZ 85004	admin@wb-law.com	Email
U.S. Counsel to Pending Litigation	KIRKLAND & ELLIS LLP Attn: Gabor Balassa and Madelyn A. Morris 300 North LaSalle Chicago, IL 60654	gbalassa@kirkland.com madelyn.morris@kirkland.com	Email
U.S. Counsel to Pending Litigation	LAUREL EMPLOYMENT LAW APC Attn: Joshua I. White, Marta Manus, and Rolando Castellanos 6309 Van Nuys Boulevard, Suite 111 Van Nuys, CA 91401	josh@laurelemploymentlaw.com marta@laurelemploymentlaw.com rolando@laurelemploymentlaw.com	Email
Secured Creditors	NATIONAL BANK OF CANADA (as Administrative Agent) Attn: Officer, Managing or General Agent 1155 Metcalfe Street, 23rd Floor Montreal, Quebec Canada H3B 4S9		1st Class Mail
Secured Creditors	FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC Attn: Officer, Managing or General Agent 1170 rue Peel Montreal, Quebec Canada H3B 0A9		1st Class Mail
Secured Creditors	BANK OF MONTREAL Attn: Officer, Managing or General Agent 105 RUE ST-JACQUES, 3RD FLOOR Montreal, Quebec Canada H2Y 1L6		1st Class Mail
Secured Creditors	Bank of Montreal Attn: Officer, managing or general agent 790 North Water Street, Floor 14W Milwaukee, WI, 53202		1st Class Mail
Secured Creditors	INVESTISSEMENT QUEBEC Attn: Officer, Managing or General Agent 1195 AVENUE LAVIGERIE SUITE 60 Quebec, Quebec Canada G1V 4N3		1st Class Mail

<u>Category</u>	<u>Counterparty Name and Address</u>	<u>Email</u>	<u>Method of Service</u>
Secured Creditors	FINALTA CAPITAL INC. (as Administrative Agent) Attn: Officer, Managing or General Agent 1002 SHERBROOKE WEST, SUITE 1550 Montreal, Quebec Canada H3A 3L6		1st Class Mail
Secured Creditors	CDPQ REVENU FIXE I INC. Attn: Officer, Managing or General Agent 1000, Plane Jean-Paul Ripoele Montreal, Quebec Canada H2Z 2B3		1st Class Mail
Secured Creditors	FONDATION MIRELLA & LINO SAPUTO Attn: Officer, Managing or General Agent 8000 BOUL LANGEIER SUITE 200 St. Leonard, Quebec Canada H1P 3K2		1st Class Mail
Secured Creditors	MACH HOLDINGS INC. Attn: Officer, Managing or General Agent 630 RUE SAINT PAUL OUEST Montreal, Quebec Canada H3C 1L9		1st Class Mail
Secured Creditors	Groupe Mach Inc. Attn: Officer, managing or general agent 630 Saint-Paul Street West Suite 600 Montreal, QC CA H3C1L9		1st Class Mail
Secured Creditors	VISION SH INVESTMENT L.L.C. Attn: Officer, Managing or General Agent 2515 rue Faris Al Malaz, 12836-7089 Royaume d'Arabie Saoudite		1st Class Mail
Secured Creditors	9274-8375 QUÉBEC INC. Attn: Officer, Managing or General Agent 331 avenue Stanstead Mont-Royal, Quebec Canada H3R 1X5		1st Class Mail
U.S. Trustee	Office of the U.S. Trustee Everett McKinley Dirksen Federal Building 219 S. Dearborn Street, Room 873 Chicago, IL 60604	USTP.Region11@usdoj.gov	Email
Contract Counterparty	BMO Harris Equipment Finance Company Attn: Officer, managing or general agent 770 N. Water Street, 8th Floor Milwaukee, WI 53202		1st Class Mail
Contract Counterparty	BMO Harris Bank N.A. Attn: Officer, managing or general agent 2915 Ogletown Rd. Newark, DE 19713-1927		1st Class Mail
Contract Counterparty	Toyota Industries Commerical Finance, Inc. Attn: Officer, managing or general agent P.O. Box 9050 Dallas, TX 75019-9050		1st Class Mail

Category	Counterparty Name and Address	Email	Method of Service
Contract Counterparty	Toyota Industries Commercial Finance, Inc. Attn: Officer, managing or general agent P.O. BOX 660926 Dallas, TX 75266-0926	ticf_admin_sm@toyotacf.com	Email
Contract Counterparty	ENGs Commerical Finance Co. Attn: Officer, managing or general agent P.O. Box 128 Itasca, IL 60143-0128		1st Class Mail
U.S. Counsel to National Bank of Canada	Stephen R. Tetro II Chapman and Cutler LLP 320 South Canal Street Chicago, IL 60606	stetro@chapman.com	Email
U.S. Environmental Protection Agency	Gregory W. Werkheiser, Trial Attorney Corporate / Financial Litigation Section Commercial Litigation Branch Civil Division United States Department of Justice 1100 L Street NW, Rm. 7206 Washington, D.C. 20005	gregory.werkheiser@usdoj.gov	Email
TN Dept. of Revenue	TN Dept of Revenue c/o TN Attorney General's Office, Bankruptcy Division Attn: Stuart Wilson-Patton PO Box 20207 Nashville, Tennessee 37202-0207	stuart.wilson-patton@ag.tn.gov	Email
MOREHOUSE PARISH SCHOOL BOARD	MOREHOUSE PARISH SCHOOL BOARD ATTN: Stephen J. Katz 41 South Washington Street Bastrop, LA 71220	sztak@aol.com	Email
MOREHOUSE PARISH SCHOOL BOARD	MOREHOUSE PARISH SCHOOL BOARD ATTN: Ersula Downs P. O. Drawer 10 Bastrop, LA 71220	edowns@mpsb.us	Email
Dana Limited	Dana Limited c/o Nicholas Steven Monico Hunton Andrews Kurth LLP Riverfront Plaza, East Tower 951 E. Byrd St. Richmond, VA 23219	nmonico@HuntonAK.com	Email
Pomerleau Inc.	Borden Ladner Gervais LLP Lawyers for Pomerleau Inc. Attn: Mtre Isabelle Desharnais 1000 de la Gauchetière West, 9th Floor Montréal, QC H3B 5H4	idesharnais@blg.com	Email
Pomerleau Inc.	Mtre Sophie Poirier Legal Director – Prevention, Dispute Resolution and Litigation POMERLEAU INC. 300-500 Saint-Jacques Street Montréal, QC H2Y 1S1	Sophie.poirier@pomerleau.ca	Email

<u>Category</u>	<u>Counterparty Name and Address</u>	<u>Email</u>	<u>Method of Service</u>
Counsel for Isabelle Adjahi, François Beaulieu, Rocco Mezzatesta	SAVONITTO & ASS. INC. Attn: Me Julie Savonitto Lawyers for Isabelle Adjahi, François Beaulieu, Rocco Mezzatesta 400-468, St-Jean Street Montréal, Québec H2Y 2S1	js@savonitto.com	Email
Conunsel for Keysight Technologies, Inc.	Borden Ladner Gervais LLP Lawyers for Keysight Technologies, Inc. Attn: Mtre Kevin Mailloux 1000 de la Gauchetière West, 9th Floor Montréal, Qc H3B 5H4 kmailloux@blg.com	kmailloux@blg.com	Email
Enphase Energy	Enphase Energy Attention: Legal Department Enphase Energy, Inc. 47281 Bayside Parkway Fremont, California 94538	legal@enphaseenergy.com	Email
Attorneys for the creditor United States Department of Justice, acting in the interests of the Environmental Protection Agency	BCF LLP Attorneys for the creditor United States Department of Justice, acting in the interests of the Environmental Protection Agency Attn: Me André Ryan, Me Gary Rivard and Me Kristina-Soleil Pellerin-Stonier 1100, René-Lévesque Blvd. West 25th Floor Montréal (Québec) H3B 5C9	ar@bcf.ca Gary.Rivard@bcf.ca Kristina.Stonier@bcf.ca	Email

First Class Mail

Securities & Exchange Commission
Secretary of the Treasury
100 F Street, NE
Washington, DC 20549

First Class Mail

Antonia M. Apps, Regional Director
Securities and Exchange Commission
New York Regional Office
100 Pearl St.
Suite 20-100
New York, NY 10004-2616

First Class Mail

David C. Weiss
United States Attorney's Office, District of DE
1313 N. Market Street
PO Box 2046
Suite 400
Wilmington, DE 19801

First Class Mail

New York Stock Exchange
Attn: Officer, managing or general agent
11 Wall St.
New York, NY 10005

**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)

(Jointly Administered)

**MOTION PURSUANT TO SECTIONS 105(a), 1507, 1521, AND 1525 OF THE
BANKRUPTCY CODE FOR ENTRY OF AN ORDER (I) RECOGNIZING AND
ENFORCING THE SECOND AMENDED AND RESTATED INITIAL ORDER AND
(II) GRANTING RELATED RELIEF**

The Lion Electric Company, Inc. (“Lion Electric”) in its capacity as the duly-appointed foreign representative (the “Foreign Representative”) for the above-captioned debtors (collectively, the “Debtors”), each of which is subject of proceedings (collectively, the “Canadian Proceeding”) 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”), has commenced the above-captioned chapter 15 cases and moves (this “Motion”), pursuant to sections 105(a), 1507, 1521, and 1525 of 11 U.S.C. §§101-1532 (the “Bankruptcy Code”), for entry of an order, substantially in the form attached hereto as **Exhibit A**

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.

(the “Proposed Order”) recognizing and giving effect in the United States to the *Second Amended and Restated Initial Order* attached to the Proposed Order as Exhibit 1 (the “Second ARIO”), as entered by the Canadian Court in the Canadian Proceeding, and granting related relief. In support of this Motion, the Foreign Representative submits and incorporates by reference 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* [Docket No. 4] (the “Coulombe Declaration”)² and respectfully submits as follows:

JURISDICTION AND VENUE

1. This 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).

2. These chapter 15 cases have been properly commenced pursuant to sections 1504 and 1509 of the Bankruptcy Code by the filing of the chapter 15 petitions filed for each of the Debtors as Docket No. 1 in their respective cases (the “Chapter 15 Petitions”) and 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* [Docket No. 3] (the “Verified Petition”) under section 1515 of the Bankruptcy Code

3. Venue is proper pursuant to 28 U.S.C. § 1410.

² Capitalized terms used but not defined herein shall the meaning ascribed to them in the Coulombe Declaration or the Second ARIO, as applicable.

4. The bases for the relief requested herein are sections 105(a), 1507, 1521, and 1525 of the Bankruptcy Code.

BACKGROUND

5. On December 18, 2024, the Debtors commenced the Canadian Proceeding under the CCAA to initiate restructuring proceedings under the supervision of the Canadian Court. Also on December 18, 2024, the Canadian Court entered an initial order (the “Initial Order”) appointing Deloitte Restructuring Inc. (the “Monitor”) as monitor of the Debtors and authorizing Lion Electric to act as Foreign Representative of the Debtors.

6. On December 18, 2024 (the “Petition Date”), the Foreign Representative filed the Chapter 15 Petitions and the Verified Petition, thereby commencing the Debtors’ chapter 15 cases.

7. On January 7, 2025, following a comeback hearing in the Canadian Proceeding, the Canadian Court entered an amended and restated Initial Order (the “Amended and Restated Initial Order”). *See* Docket No. 38. A description of the relief provided in the Amended and Restated Initial Order is described in detail in the Coulombe Declaration.

8. Additional information about the Debtors’ business and operations, the events leading up to the filing of the Chapter 15 Petitions, and the facts and circumstances surrounding the Canadian Proceeding and these chapter 15 cases can be found in the Coulombe Declaration.

9. On January 21, 2025, the Court entered the *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* [Docket No. 52] (the “Recognition Order”), which, among other things, recognized the Canadian Proceeding as a foreign main proceeding, recognized Lion Electric as Foreign Representative of the Debtors, and

recognized and gave full effect in the territorial jurisdiction of the United States to the Initial Order, the Amended and Restated Initial Order, and the SISP Order.

10. On January 6, 2025, the Foreign Representative filed two reports submitted by the Monitor, to update the Court on the Debtors' progress in the Canadian Proceeding. *See* Docket No. 37. Attached hereto as **Exhibit B** is the *Third Report to the Court Submitted by Deloitte Restructuring Inc. in Its Capacity as Monitor*, dated February 12, 2025 (the "Monitor's Third Report"), which provides an update on the Canadian Proceedings, including the Debtors' communication to stakeholders, the Debtors' operations, the SISP, a summary of the Monitor's activities in the Canadian Proceeding, and the Monitor's conclusions and recommendations in the Canadian Proceedings.³

11. On February 14, 2024 the Canadian Court entered the Second ARIO in the Canadian Proceeding.

THE SECOND ARIO

12. In addition to restating the relief provided to the Debtors in the Amended and Restated Initial Order, the Second ARIO: (i) approved the A&R Interim Financing Loan Agreement, whereby the Interim Lenders provided the Debtors an additional \$7 million in funding (raising the total amount borrowed to \$17 million) and a corresponding increase in the Interim Lenders' Charge of an additional \$8.4 million (raising the total Interim Lender Charge to \$20.4 million); (ii) extended the Stay Period from the Amended and Restated Initial Order to April 4, 2025; and (iii) authorized the Debtors' to cease incurring costs in connection with Securities Filings required under Canadian and U.S. law or regulations, or the rules and regulations of any stock exchange in Canada and in the U.S., including, but not limited to the TSX and the NYSE,

³ The Monitor's Third Report also included cash flow results and projections for the Debtors, which were filed under seal in the Canadian Proceeding and are not attached hereto.

and ordered that neither the Monitor nor any of the Debtors' directors, officers, employees, and other representatives be personally liable for the failure of the Debtors to make such Securities Filings. A redline comparing the Second ARIO against the Amended and Restated Initial Order is attached hereto as **Exhibit C**.

RELIEF REQUESTED

13. The Foreign Representative seeks entry of the Proposed Order recognizing and enforcing in the United States the Second ARIO and granting related relief.

BASIS FOR RELIEF

14. Pursuant to the Recognition Order, this Court has recognized the Canadian Proceeding as a foreign main proceeding. Where a foreign case is recognized as a foreign main proceeding, a bankruptcy court may grant "any appropriate relief" to "effectuate the purpose of [chapter 15] and to protect the assets of the debtor or the interests of the creditors." 11 U.S.C. §1521(a). Pursuant to section 1522 of the Bankruptcy Code, the court may grant relief under section 1521 only if the interests of the creditors and other interested entities, including the debtor, are sufficiently protected. 11 U.S.C. § 1522; *see also In re Energy Coal S.P.A.*, 582 B.R. 619 (LSS) (Bankr. D. Del. 2018). "The analysis under § 1522 is one of balancing the respective interests based on the relative harms and benefits in light of the circumstances presented." *In re Better Place, Inc.*, 2018 Bankr. LEXIS 322 at *19 (LSS) (Bankr. D. Del. Feb. 5, 2018) (citations omitted).

15. As a separate basis for recognition of foreign orders, section 1507(a) of the Bankruptcy Code also permits a court to "provide additional assistance to a foreign representative" provided such assistance is consistent with the principles of comity and satisfies the factors set forth in section 1507(b) of the Bankruptcy Code. 11 U.S.C. § 1507. In addition, section 1525(a) of the Bankruptcy Code provides that, "[c]onsistent with section 1501, the court shall cooperate to the maximum extent possible with a foreign court or a foreign representative." 11 U.S.C. § 1525(a).

16. Here, recognition of the Second ARIO is vital to the Debtors' successful reorganization in the Canadian Proceeding. As noted in the Coulombe Declaration, one of the Debtors' goals in initiating the Canadian Proceeding was to conduct a sale of the Debtors' business and assets through the SISP, which was approved by the Canadian Court in the SISP Order and recognized by this Court in the Recognition Order. The Debtors and the Monitor have continued to work diligently to run the SISP Process. Indeed, Phase I of the SISP—which focused on garnering interest from potential buyers and culminated in the selection of certain qualified bidders for the Debtors' assets—was recently completed. Phase 2, which involves the submission of definitive bids, an auction, if appropriate, and completion of definitive documentation for the resulting transaction(s), has just begun, with definitive bids from the selected qualified bidders due on March 7, 2025.

17. However, in order to continue the SISP, while also preserving their business and assets during the pendency of the Canadian Proceeding, the Debtors required additional liquidity. Indeed, prior to entry of the Second ARIO and the Canadian Court's approval of the A&R Interim Financing Loan Agreement, the Debtors did not have sufficient funding to continue operating through February 16, 2025. The infusion of additional capital through the A&R Interim Financing Loan Agreement was necessary for the Debtors to maintain their business, preserve the value of their assets, and continue to work on the SISP to achieve the best outcome for their stakeholders. The increase to the Interim Lenders' Charge provides required security to the Interim Lenders and was a condition for the additional financing received under the A&R Interim Financing Loan Agreement. Recognition of the Canadian Court's approval of the A&R Interim Financing Loan Agreement and the increase to the Interim Lenders' Charge ensures the Debtors' access to the funds necessary to continue their restructuring efforts.

18. In addition, by extending the Stay Period and the other relief granted in the Amended and Restated Initial Order through and including April 4, 2025, the Second ARIO grants the Debtors additional breathing room to allow for the submission of definitive bids by would-by buyers, provides time for the Debtors, the Monitor, and other key parties to consider the bids, and for an auction to be held, and allows time for definitive documentation for any resulting transaction to be finalized—all to maximize value of the Debtors’ assets and achieve the best possible result for their stakeholders through the SISF.

19. Further, recognition of the Canadian Court’s authorization for the Debtors to incur no further costs related to Securities Filings, as set forth more particularly at paragraph 74 of the Second ARIO, is appropriate under the circumstances and will effectuate the purposes of Chapter 15 by assisting with the Debtors’ reorganization. Although Lion Electric was listed on the TSX and the NYSE on the Petition Date, trading in Lion Electric’s shares on those exchanges has been suspended—TSX placed Lion Electric under delisting review and the NYSE has commenced delisting proceeding against the Company. Accordingly, the Debtors sought, and the Canadian Court granted, authorization to cease incurring costs in connection with Securities Filings. Given the cost of both time and resources required to prepare Securities Filings for shares as to which trading has been suspended, such preparations would needlessly deplete the Debtors’ funds and detract from their restructuring efforts. Further, because Canada is the principal filing jurisdiction for the Debtors’ Securities Filings, it would effectively negate the cost saving benefits of the Canadian Court’s authorization for the Debtors to cease incurring costs connected to Securities Filings if the Lion Electric Company were required to continue to prepare Securities Filings for the U.S., all without providing any benefit to stakeholders. Moreover, there is no prejudice to stakeholders, given that information regarding the Debtors is still made publicly available through

the materials filed in the Canadian Proceedings, which materials are published on the Monitor's website. At least one court has recently afforded chapter 15 debtors the same relief. *See In re: VBI Vaccines (Delaware) Inc.*, Case No. 24-11623 (BLS) (Bankr D. Del., Sept. 24, 2024) at Docket No. 40.

20. Recognition of the Second ARIO will ensure that the relief granted by the Canadian Court is effective the United States. As such, recognition of the Second ARIO is consistent with the principles of comity, as it would give further effect to an order of the Canadian Court and ensure that the Canadian Proceeding and SISP are not undermined by any geographic limitations on the reach of that order. Finally, recognition of the Second ARIO is consistent with the relief already granted by this Court in the Recognition Order. Thus, the relief sought in this Motion should be granted pursuant to sections 105(a), 1507(a), 1521(a), and 1525(a) of the Bankruptcy Code.

NOTICE

21. The Foreign Representative will provide notice of this Motion to the Core Notice Parties as defined in the *Order (A) Scheduling Hearing on Recognition of Chapter 15 Hearing and (B) Specifying Form and Manner of Service of Notice* [Docket No. 28] as well as to the Securities and Exchange Commission and the New York Stock Exchange. The Foreign Representative respectfully requests that, in light of the nature of the relief requested, no other or further notice of the Motion need be given.

CONCLUSION

WHEREFORE the Foreign Representative respectfully requests that this Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: February 18, 2025
Chicago, Illinois

Respectfully Submitted,

/s/ Jonathan E. Aberman

TROUTMAN PEPPER LOCKE

Jonathan E. Aberman (#6255541)

Michael B. Kind (#6306332)

111 S Wacker Drive, Suite 4100

Chicago, IL 60606

Telephone: (312) 443-0700

Email: jon.aberman@troutman.com

michael.kind@troutman.com

-and-

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

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

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

Hercules Plaza

1313 N. Market Street, Suite 1000

Wilmington, DE 19801

Telephone: (302) 777-6500

Email: david.fournier@troutman.com

kenneth.listwak@troutman.com

tori.remington@troutman.com

Counsel to the Foreign Representative

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 GRANTING MOTION PURSUANT TO SECTIONS 105(a), 1507, 1521, AND
1525 OF THE BANKRUPTCY CODE FOR ENTRY OF AN ORDER (I) RECOGNIZING
AND ENFORCING THE SECOND AMENDED AND RESTATED INITIAL ORDER
AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of The Lion Electric Company, Inc. (“Lion Electric”), in its capacity as the duly appointed foreign representative (the “Foreign Representative”) for the above-captioned debtors (collectively, the “Debtors”), for entry of an order pursuant to sections 105(a), 1507, 1521, and 1525 of the Bankruptcy Code; and the Court finding that the relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policies of the United States, is warranted pursuant to sections 105(a), 1507, 1521, and 1525 of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted; and the Court having found

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 Motion.

that the interests of the Debtors' creditors in the United States are sufficiently protected; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Court recognizes the *Second Amended and Restated Initial Order*, attached hereto as **Exhibit 1** (the "Second ARIO"), which is hereby given full force and effect in the United States in its entirety, including without limitation with respect to property of the Debtors located within the territorial jurisdiction of the United States.
3. Pursuant to sections 105(a), 1507, 1521, and 1525 of the Bankruptcy Code, the Foreign Representative, the Debtors, and the Monitor (as well as each of their respective officers, employees and agents) are authorized to take any and all actions necessary or appropriate to implement the Second ARIO and this Order.
4. All objections to the entry of this Order that have not been withdrawn, waived, settled, or otherwise resolved, are denied and overruled on the merits, with prejudice.
5. This Order shall be effective and enforceable immediately upon entry.
6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.
7. This Order shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

EXHIBIT 1

Second Amended and Restated Initial Order

COPIE CERTIFIÉE CONFORME
AU DOCUMENT DÉTENU PAR LA COUR
14-02-2025
Jean-Pierre N. Gacs
Personne désignée par le greffier

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE
NO: 700-11-022385-241
DATE: February 14, 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

SECOND AMENDED AND RESTATED INITIAL ORDER

- [1] **ON READING** the Debtors' *Application for the Issuance of a Second Amended and Restated Initial Order* dated February 12, 2025 (the "**Application**") filed pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"), the sworn statement and the exhibits filed in support thereof;
- [2] **CONSIDERING** the 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 "**Initial Application**") filed pursuant to the CCAA, the sworn statement and the exhibits filed in support thereof;
- [3] **CONSIDERING** the Third Report to the Court submitted by Deloitte Restructuring Inc. in its capacity as Monitor dated February 12, 2025 (**R-3**) (the "**Monitor's Report**");
- [4] **CONSIDERING** the Initial Order and the SISP Order issued by this Court on December 18, 2024, and the Amended and Restated Initial Order issued by this Court on January 7, 2025;
- [5] **CONSIDERING** the notification of the Application;
- [6] **CONSIDERING** the submissions of the attorneys present at the hearing on the Application and the testimony of the representative of the Monitor heard;
- [7] **CONSIDERING** the provisions of the CCAA;

THE COURT HEREBY:

- [8] **GRANTS**, in part, the Application.
- [9] **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. Authorization to Incur no Further Expenses in relation to any Securities Filings
- XXIV. General

I. SERVICE

- [10] **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.
- [11] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Debtors to interested parties, including the secured creditors, who are likely to be affected by the charges created herein.

II. DEFINITIONS

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

III. EFFECTIVE TIME

- [13] **DECLARES** that this Order and all its provisions are effective as of 12:01 a.m. Montréal time, province of Québec, on February 14, 2025 (the “**Effective Time**”).

IV. APPLICATION OF THE CCAA AND ADMINISTRATIVE CONSOLIDATION

- [14] **DECLARES** that the Debtors are debtor companies to which the CCAA applies.
- [15] **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 700-11-022385-241.
- [16] **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

- [17] **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

- [18] **ORDERS** that, until and including **April 4, 2025**, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), including but not limited to seizures, executions, writs of seizure or execution, any and all actions, applications, arbitration proceedings and other lawsuits 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.
- [19] **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

- [20] **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

- [21] **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.

- [22] **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.
- [23] **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

- [24] **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.

- [25] **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

- [26] **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

- [27] **ORDERS** that during the Stay Period and subject to paragraph [29] 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.

- [28] **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.
- [29] **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

- [30] **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

- [31] **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 principal maximum amount of up to **USD\$17,000,000** (the "**Interim Facility**") outstanding at any time, on the terms and conditions as set forth in the Amended and Restated Interim Financing Loan Agreement, Exhibit **R-2** filed in support of the Application (the "**A&R Interim Financing Loan Agreement**"), with the Cash Flow Projections as Appendix B thereto (*under seal*, as Exhibit **R-2A**), 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).
- [32] **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 A&R 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.

- [33] **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.
- [34] **DECLARES** that all of the Property of the Debtors is hereby subject to a charge, hypothec and security for an aggregate amount of **USD\$20,400,000** (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 [59] and [60] of this Order.
- [35] **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.
- [36] **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 advances to the Debtors if any of them fail to meet the provisions of the A&R Interim Financing Loan Agreement, of the Interim Financing Documents, or of this Order or any other order which may eventually be issued by this Court.

- [37] **TAKES ACT** of the Debtors' agreement that upon the occurrence of a "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 Québec 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.
- [38] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs [31] to [36](b) hereof unless either (a) notice of an application for such order is served on the Interim Lender by the moving party at least seven (7) days prior to the presentation thereof or (b) the Interim Lender applies for or consent to such order.

XIV. CDPQ-FINALTA LENDERS

- [39] **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*.

- [40] **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

- [41] **ORDERS** that the financial projections filed as Appendix to the 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

- [42] **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.
- [43] **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 [42] hereof as it relates to the 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 [59] and [60] of this Order.
- [44] **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 [42] of this Order.

XVII. KEY EMPLOYEE RETENTION PLAN

- [45] **ORDERS** that the terms of the key employee retention plan (the "**KERP**") reflected Exhibit R-11 to the Initial Application are hereby approved and the Debtors are

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

- [46] **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 [59] and [60] of this Order.

XVIII. RESTRUCTURING

- [47] **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 [47](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 employees, 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.

- [48] **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.
- [49] **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 [43](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.
- [50] **ORDERS** that the Debtors shall provide to any relevant landlord notice of any of the 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.
- [51] **DECLARES** that, pursuant to subparagraph 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 a 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

[52] **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.

[53] **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.

[54] **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.

- [55] **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.
- [56] **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.
- [57] **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.
- [58] **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 [59] and [60] of this Order;

XX. PRIORITIES AND GENERAL PROVISIONS RELATING TO CCAA CHARGES

- [59] **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.

- [60] **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 Debtors to the CDPQ-Finalta Lenders, but only with respect to the *Biens en priorité de Finalta*, as such term is defined in the NBC/CDPQ-Finalta Intercreditor Agreement.
- [61] **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.
- [62] **DECLARES** that each of the CCAA Charges shall attach, having the priority established by paragraphs [59] and [60] 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.
- [63] **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 Debtors; 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, sublease, 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.

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

- [64] **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 Debtors; 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.
- [65] **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

- [66] **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.
- [67] **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**").
- [68] **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.
- [69] **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.

- [70] **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

- [71] **ORDERS** that The Lion Electric Company is hereby authorized and empowered, but not required, to act as a foreign representative (in such a 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.
- [72] **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.
- [73] **DECLARES** that, for the purposes of any applications authorized by paragraphs [71] and [72], the Debtors’ center of main interest is located in the province of Québec, Canada.

XXIII. AUTHORIZATION TO INCUR NO FURTHER EXPENSES IN RELATION TO ANY SECURITIES FILINGS

- [74] **ORDERS** that any decision by the Debtors to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or in the United States, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Québec) and comparable statutes enacted by other provinces of Canada, *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, the rules and regulations of the *Autorité des marchés financiers* (Québec) and other Canadian securities regulatory authorities, and the U.S. Securities and Exchange Commission, the TSX Company Manual, the NYSE Listed Company Manual and any other rules, regulations and policies of the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE) (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Debtors failing to make any Securities Filings required by the Securities Provisions.

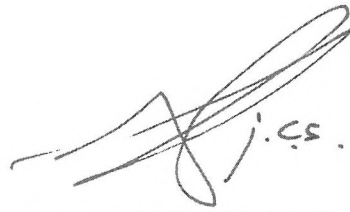
- [75] **ORDERS** that none of the Directors, Officers, employees, and other representatives of the Debtors nor the Monitor and its directors, officers, employees and representatives shall have any personal liability for any failure by the Debtors to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the Directors, Officers, employees and other representatives of the Debtors of a nature described in section 11.1 (2) of the CCAA as a consequence of such failure by the Debtors. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

XXIV. GENERAL

- [76] **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 to be named in such Proceedings.
- [77] **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.
- [78] **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.
- [79] **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.

- [80] **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.
- [81] **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.
- [82] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [83] **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.
- [84] **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.
- [85] **ORDERS** that Appendix B to the Interim Financing Term Sheet (Exhibit R-10A of the Initial Application), a summary table setting out the material terms of the KERP and the KERP letters (Exhibit R-11 of the Initial Application), the copy of the December NBF Engagement Letter (Exhibit R-12 of the Initial Application), Appendix B to the A&R Interim Financing Loan Agreement (Exhibit R-2A of the Application), Appendix B to the Monitor's Report and Appendix C to the Monitor's Report are confidential and are filed under seal.
- [86] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without security.

[87] THE WHOLE WITHOUT COSTS.



Digitally signed by
Michel A. Pinsonnault

Date: 2025.02.14

11:28:02 -05'00'

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

Date of hearing: February 14, 2025



COPIE CERTIFIÉE CONFORME
AU DOCUMENT DÉTENU PAR LA COUR
14-02-2025
Jean-Pierre N. Gacs
Personne désignée par le greffier

EXHIBIT B

**Third Report to the Court Submitted by Deloitte Restructuring Inc.
in Its Capacity as Monitor**



Deloitte Restructuring Inc.
1190, avenue des Canadiens-de-
Montréal
Suite 500
Montreal, QC H3B 0M7
Canada

Tel: 514-393-7115
Fax: 514-390-4103
www.deloitte.ca

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

SUPERIOR COURT
Commercial Division

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

THE LION ELECTRIC COMPANY, a legal person
having its elected domicile at 921 chemin de la
Rivière-du-Nord, Saint-Jerome, Quebec, Canada
J7Y 5G2

-&-

LION ELECTRIC FINANCE CANADA INC., a
legal person having its elected domicile at 921
chemin de la Rivière-du-Nord, Saint-Jerome,
Quebec, Canada J7Y 5G2

-&-

**LION ELECTRIC VEHICLE FINANCE CANADA
INC.,** a legal person having its elected domicile at
921 chemin de la Rivière-du-Nord, Saint-Jerome,
Quebec, Canada J7Y 5G2

-&-

LION ELECTRIC HOLDING USA INC., a legal
person having its elected domicile at 2915
Ogletown Road, Newark, Delaware, 19713

-&-

NORTHERN GENESIS ACQUISITION CORP., a
legal person having its elected domicile at 2915
Ogletown Road, Newark, Delaware, 19713

-&-

THE LION ELECTRIC CO. USA INC., a legal
person having its elected domicile at 915
Ogletown Road, Newark, Delaware, 19713

-&-

The Lion Electric Company
Third Report to the Court
February 12, 2025

Page 2

LION ELECTRIC MANUFACTURING USA INC.,
a legal person having its elected domicile at 915
Ogletown Road, Newark, Delaware, 19713

-&-

LION ELECTRIC FINANCE USA INC., a legal
person having its elected domicile at 915
Ogletown Road, Newark, Delaware, 19713

Applicants

-&-

DELOITTE RESTRUCTURING INC., a legal
person having a place of business at 500-1190
ave des Canadiens-de-Montréal, in the city and
district of Montreal, province of Quebec,
H3B 0M7.

Monitor

**THIRD REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR**

(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. Unless otherwise stated, all monetary amounts contained herein are expressed in US dollars.
2. On December 17, 2024, the Lion Electric Company ("**Lion Electric**"), Lion Electric Finance Canada Inc. ("**Lion Finance**"), Lion Electric Vehicle Finance Canada Inc. ("**Lion Vehicle Finance**"), Lion Electric Holding USA Inc. ("**Lion Holding USA**"), Northern Genesis Acquisition Corp. ("**Northern Genesis**"), The Lion Electric Co. USA Inc. ("**Lion USA**"), Lion Electric Manufacturing USA Inc. ("**Lion Manufacturing USA**"), Lion Electric Finance USA Inc. ("**Lion Finance USA**"), (collectively "**Lion**", the "**Company**" or the "**Applicants**") filed an *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process* ("**SISP**") order (the "**Application**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), before the Superior Court of Quebec (the "**Court**") seeking the appointment of Deloitte Restructuring Inc. ("**Deloitte**") as the CCAA monitor in these proceedings (the "**Proposed Monitor**" or the "**Monitor**") and various other reliefs.
3. On December 17, 2024, Deloitte, then in its capacity as Proposed Monitor, issued its first report to the Court (the "**First Report**"). The purpose of the First Report was to provide information to the Court with respect to i) Deloitte qualification to act as monitor, ii) the business, financial affairs and financial results of Lion, iii) The proposed restructuring process (the "**Restructuring Process**"), iv) the SISP, v) the KERP, vi) Lion's cash flow forecast, vii) the interim facility, viii) the charges sought in the Proposed First Day Initial Order and the Proposed Initial Order, ix) recognition proceedings in the United States, and x) the Proposed Monitor's conclusions and recommendations.

4. On December 18, 2024, the Superior Court of Quebec, Commercial Division (the "**Court**") granted the Application, issued a First Day Initial Order (the "**First Day Order**") and issued an order approving the SISP ("**SISP Order**") which provided for, *inter alia*, i) a stay of proceedings against Lion until January 7, 2025 (the "**Stay Period**"), ii) a stay of proceedings against the Directors and Officers, iii) the appointment of Deloitte Restructuring Inc. as the Monitor under the CCAA ("**Deloitte**" or the "**Monitor**"), iv) the approval of the Interim Facility in the amount of \$6M, and v) the granting of various charges including a General Administration Charge of \$0.8M, a D&O Charge of \$2.5M, an Interim Lender Charge of \$7.2M, a KERF Charge of \$1.5M and a Financial Advisor Charge of a maximum of \$4M.
5. On January 7, 2025, Deloitte, in its capacity as Monitor, issued its second report to the Court (the "**Second Report**") as part of the Debtors' CCAA proceedings (the "**CCAA Proceedings**"). The purpose of the Second Report was to provide information to the Court with respect to i) Lion's communications to stakeholders and operations, ii) Recognition proceedings in the United States, iii) the Monitor's activities since the First Report, iv) the SISP, v) the modifications sought in the amended and restated initial order ("**ARIO**"), vi) the cash flow results for the period ending on December 29, 2024, vii) the cash flow projections until February 15, 2025, viii) the request for an extension of the Stay Period, and ix) the Monitor's conclusions and recommendations.
6. On January 7, 2025, following the comeback hearing, the Court issued the Amended and Restated Initial Order ("**ARIO**"), which, *inter alia* i) extended the Stay Period until February 14, 2025, ii) authorized an increase in the Interim Facility up to an aggregate amount of \$10M, along with an increase in the Interim Lender Charge up to \$12M, iii) reduced the D&O Charge to \$1.9M, and iv) increased the General Administration Charge to \$1.3M.
7. On February 12, 2025, the Company filed an Application for the Issuance of a Second Amended and Restated Initial Order (the "**Second ARIO Application**") seeking the following reliefs, *inter alia* i) the extension of the Stay Period until April 4, 2025, ii) an increase in the authorized Interim Facility from \$10.0M to a maximum amount of \$17.0M and in the Interim Lender Charge to a total amount of \$20.4M to reflect the increased borrowing capacity under the Amended and Restated Interim Financing Loan Agreement (the "**A&R Interim Financing Loan Agreement**"), and (iii) the authorization for the Company to incur no further expenses in relation to filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") and an order confirming that none of the directors, officers, employees, and other representatives of the Company, nor the Monitor (and their respective directors, officers, employees or representatives), shall have any personal liability for any failure by the Company to make any Securities Filings.
8. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them as defined in the previous reports, or in the Initial Application or in the Second ARIO Application.

PURPOSE OF THIS REPORT

9. The purpose of this third report of the Monitor (the "**Third Report**") is to provide information to the Court with respect to:
 - (i) Lion's communications to stakeholders and its operations;
 - (ii) Recognition proceedings in the United States of America;
 - (iii) The Monitor's activities since the Second Report;
 - (iv) Update on the SISP;
 - (v) The cash flow results for the 6-week period ended February 9, 2025;

- (vi) The Cash Flow Projections until April 27, 2025;
 - (vii) The modifications sought to the ARIO; and,
 - (viii) The Monitor's conclusions and recommendations.
10. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, Lion's books and records and financial information prepared by Lion and discussions with management ("**Management**") of Lion (collectively, the "**Information**"). Except as described in this Third Report in respect of the Applicants' Cash Flow Statement (as defined below):
- (i) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and,
 - (ii) Some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants Canada Handbook, has not been performed.
11. Future oriented financial information referred to in this Third Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
12. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in the Third Report concerning Lion and their business is based on the Information, and not independent factual determinations made by the Monitor.

LION'S COMMUNICATIONS TO STAKEHOLDERS AND ITS OPERATIONS

13. Since the ARIO, Lion has had communications with many of the Company's suppliers and other key stakeholders in order to explain the current situation and the next steps relating to the Restructuring Process.
14. The Company and the Monitor have continued to collaborate with the Company's principal secured creditors, including the Bank Syndicate also acting as DIP Lender, amongst other things by providing all requested information and documentation relating to the Restructuring Process.
15. Lion has been proactive in responding to the different stakeholders' inquiries relating to the CCAA Proceedings and the Restructuring Process, including special attention on inquiries related to the SISP process or coming from the participants to the SISP process. Lion has been fully dedicated in supporting the SISP process conducted by FBN as well as the process conducted by the Monitor to solicit offers from the liquidators and auctioneers.
16. Lion has remained vigilant in managing its liquidities. Lion has focused on limiting costs by halting production and cancelling various contracts when possible and justified, as explained in the next section of this Third Report.
17. While the manufacturing and delivery operations of Lion have been suspended, the Company continues to assist its customers with the maintenance and servicing of their vehicles to the

extent possible, taking into consideration its present circumstances and the CCAA proceedings.

18. To the Monitor's knowledge, Lion has complied and continues to comply with the provisions of the ARIO and the SISP Order since their issuance.

Contract disclaimer notices

19. Since the Second Report, one (1) additional disclaimer notice was sent with respect to equipment leasing. The disclaimed contract was identified based on a profitability analysis. The detailed list of the notices of disclaimer sent since the beginning of the CCAA Proceedings by Lion is attached as **Appendix A**.
20. As illustrated in the Second Report, Lion sent a disclaimer notice for its premises located in Joliet, Illinois. Prior to the termination date, Lion entered into an agreement with the landlord of this specific location and subsequently executed a written agreement allowing Lion to remain in the premises for a longer period. Lion agreed to pay the occupancy rent for that period.

Employees

21. Lion, pursuant to the ARIO, continues to pay its remaining employees in the normal course of business.
22. Since the previous report, two employees being part of the KERP have left or announced their departure. These employees were not replaced.

RECOGNITION PROCEEDINGS IN THE UNITED STATES OF AMERICA

23. On January 21, 2025, following the recognition hearing, Lion obtained an order recognizing the present CCAA proceedings as foreign main proceedings.
24. All documents related to the recognition proceedings have been posted on the Monitor's Website.

THE MONITOR'S ACTIVITIES SINCE THE SECOND REPORT

25. On January 4, 2025, the Monitor published the second notice with respect to the First Day Order in *La Presse Plus* and the national edition of *The Globe and Mail*.
26. On January 7, 2025, the Monitor posted a copy of the CCAA Proceedings' application materials, the Second Report and the ARIO on the Monitor's Website.
27. Since the issuance of the First Day Order, the Monitor issued one (1) additional Notice of stay of proceeding to a supplier who had begun enforcement measures.
28. The Monitor assisted Lion in the analysis of various contracts in order to assess if additional contracts should be disclaimed, following which one (1) Notice of disclaimer approved by the Monitor was issued, as explained in the previous section of this Third Report.
29. Since the previous report, the Monitor and its legal counsel assisted Lion with its discussion with Intact Insurance Specialty Solutions ("**Intact**") with regard of the status of certain bonds for which Intact has sent notices of cancellation. The Monitor is of the view that the bonds issued by Intact in favor of Lion are still in effect and that the notices sent by Intact are in contravention to the ARIO. The discussions are still underway, and the Monitor is confident that the solution discussed will soon result in an agreement to reinstate the bonds necessary for Lion's operations. Should the parties be unable to reach an amicable solution pertaining

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to the aforementioned issue, the Monitor will seize the Court with this matter.

30. The Monitor assisted Lion in its discussions and negotiations with suppliers.
31. The Monitor, with the assistance of Lion, has been responding to questions of various stakeholders as to the status of the CCAA Proceedings.
32. The Monitor is in constant discussions with Management with regards to Lion's operations.
33. The Monitor has also been in contact with NBF on a regular basis to assess the progress of the SISP. At the same time, the Monitor also conducted a SISP with different liquidators and auctioneers, as more fully detail in the next section of the Third Report
34. The Monitor also reviewed the receipts and disbursements transacted through Lion's bank accounts daily with full co-operation of Management and was presented with all requests for payment of services provided to Lion since the First Day Order.

UPDATE ON THE SISP

Phase 1 of the SISP

35. As mentioned in the Second Report, since the issuance of, and pursuant to the SISP Order, FBN has initiated steps to launch the SISP. FNB, with the assistance of the Monitor and Lion, prepared the go-to-market package.
36. As part of Phase 1 of the SISP, FBN undertook a comprehensive coverage of the market, having contacted 169 potential investors (119 financial investors and 50 strategic investors).
37. Out of the 169 parties contacted by NBF, 43 of them executed an NDA and were granted access to the CIM and the VDR.
38. Non-binding Letters of Intent ("**NBLOIs**") were received prior to February 5, 2025, at 5:00 p.m. EST.
39. In addition, as mentioned in the previous reports, the SISP is also targeting parties that could be interested in acquiring some of the assets on a piecemeal basis, including liquidation of some of the Company's assets. Since the issuance of the SISP Order, the Monitor reached out to fifteen (15) additional parties, not included in the FBN outreach group, that could be interested in acquiring the Company's assets on a piecemeal basis.
40. Of said fifteen (15) parties, twelve (12) executed an NDA and expressed interests in the opportunity, and were granted access to the VDR and seven (7) of these parties visited at least one of the manufacturing sites in Canada or the USA.
41. NBLOIs were also received from liquidators or auctioneers prior to February 5, 2025, at 5:00 p.m. EST.
42. On February 7, 2025, following discussions with Lion, the Monitor and the Interim Lenders, FBN and the Monitor notified in writing the Phase 1 Qualified Bidders that they were selected as Phase 2 Qualified Bidders and were permitted to proceed to Phase 2 of the SISP. FBN and the Monitor also noticed in writing to the other Phase 1 Qualified Bidders, when applicable, that they were not determined to be a Phase 2 Qualified Bidders and were not permitted to proceed to Phase 2 of the SISP

Phase 2 of the SISP

43. The Phase 2 Bid Deadline, for delivery of definitive binding offers by the qualified bidders is scheduled to take place on March 7, 2025, at 5:00 p.m. EST.

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THE CASH FLOW RESULTS FOR THE PERIOD ENDED FEBRUARY 9, 2025

44. Since the previous report, Lion's financial performance for the period commencing on December 30, 2024, and ending on February 9, 2025, has been favorable in comparison with the Initial Cash Flow Statement.
45. As of the date of this Third Report, all post-filing expenses incurred by Lion have been or will be paid in the normal course of business out of the existing working capital of Lion or through a draw of additional funds from the amount made available as part of the Interim Facility, as described in the previous reports.
46. The highlights of Lion's financial performance for the period ended February 9, 2025, are presented in the actual cash flow Statement annexed hereto as **Appendix B** (under seal).

THE CASH FLOW PROJECTIONS UNTIL APRIL 27, 2025

47. Lion with the assistance of the Monitor, has prepared the statement of projected cash flow (the "**Cash Flow Statement**") for the 11-week period from February 10, 2025, to April 27, 2025 (the "**Cash Flow Period**") for the purpose of forecasting Lion's estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement up to April 27, 2025, is annexed hereto as **Appendix C** (under seal).
48. The Cash Flow Statement has been prepared by Lion using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
49. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied by Management. Since the hypothetical assumptions need not to be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.
50. Based on the Monitor's review and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:
 - (i) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - (ii) As at the date of this Third Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of Lion or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or,
 - (iii) The Cash Flow Statement does not reflect the probable and hypothetical assumptions.
51. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report. Neither does the Monitor express any opinion as to the performance of Lion's statutory obligations with regard to projected payments to be made in accordance with the Cash Flow Statement, *inter alia* the payment of wages, the government remittances and the payroll deductions to be made by Lion.

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52. The Cash Flow Statement has been prepared solely for the purpose described in the Notes to the Cash Flow Statement, and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
53. Management continues to anticipate more restrictive payment terms for purchases from suppliers following the announcement of the CCAA Proceedings. As such, Management has anticipated certain "cash on delivery" purchases.
54. As appears from the Cash Flow Statement and the Application, in order to preserve the value of its operations with the view to continuing the SISP, Lion intends to continue to pay its trade creditors for services rendered and goods supplied in the normal course of business during these CCAA Proceedings.
55. Management has advised the Monitor that it believes that the forecast reflected in the Cash Flow Statement is reasonable.
56. As shown in the cash flow projections for the 7-week period starting from the week ending January 5, 2025, until the week ending February 16, 2025, and which were filed *under seal* as Appendix C to the Second Report in advance of the "*comeback hearing*," the interim financing sought and approved in the ARIO was expected to be insufficient to allow the Company to continue operating after February 16, 2025 and until the end of the Restructuring Process.
57. The Company, accordingly, require further funding to continue its restructuring efforts and, in particular, to enable it to proceed with the conduct and implementation of Phase 2 of the SISP.
58. As a result, the Interim Lenders, pursuant to the A&R Interim Financing Loan Agreement, have agreed to advance to the Applicants an additional amount of \$7.0M (\$17.0M in the aggregate), subject to a corresponding increase in the Interim Lenders' Charge for an additional amount of \$8.4M (\$20.4M in the aggregate), as set out in the draft Second ARIO.
59. The additional financing provided under the A&R Interim Financing Loan Agreement is to be provided on identical terms as the initial financing provided for under the Interim Financing Loan Agreement.

THE MODIFICATIONS SOUGHT TO THE ARIO

a) THE REQUEST FOR AN EXTENSION OF THE STAY PERIOD

60. The current Stay Period expires on February 14, 2025.
61. The Company is seeking an extension of the Stay Period until April 4, 2025¹, in order to implement the Restructuring Process, which coincides with the deadline for the Company to seek Court approval of one or more transactions following the completion of Phase 2 of the SISP.
62. The Monitor is informed that Lion intends to continue to pay its trade creditors for services rendered and goods provided in the normal course of business during the CCAA Proceedings.
63. As described in the Third Report, the Cash Flow Statement indicates that Lion should have sufficient liquidity to continue to meet its obligations post-filing provided it has access to the additional Interim Facility.

¹ Following discussions between the parties since the issuance of the Second ARIO Application, it was decided to request an extension of the Stay Period until April 4, 2025, instead than April 25, 2025 as indicated in the Second ARIO Application.

b) THE INCREASE TO THE DIP

64. As discussed above, the Company seeks the issuance of an order providing for an increase in the maximum availability under the Interim Facility from \$10.0M to \$17.0M, and increasing the Interim Lender Charge to a total amount of \$20.4M to reflect the increased borrowing capacity under the A&R Interim Financing Loan Agreement.
65. The additional financing provided under the A&R Interim Financing Loan Agreement is to be provided on identical terms as the initial financing provided for under the initial Interim Financing Loan Agreement, which was previously approved by the Court.
66. The Monitor supports Lion's request, which will allow the Company to have sufficient funds until the end of the sought extension of the Stay Period, on April 4, 2025.

c) THE AUTHORIZATION TO INCUR NO FURTHER EXPENSES IN RELATION WITH SECURITIES FILING

67. The Monitor understands that on December 18, 2024, concurrently with the commencement of these CCAA proceedings, trading in the common shares and other listed securities of Lion Electric on the Toronto Stock Exchanges ("**TSX**") and the New York Stock Exchange ("**NYSE**") were suspended and since then, the TSX has put the Company under delisting review and the NYSE has commenced delisting proceedings as well.
68. In light of the foregoing, the Company now seeks (i) the authorization to incur no further expenses in relation to filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or in the United States, or by the rules and regulations of a stock exchange, and (ii) an order confirming that none of the directors, officers, employees, and other representatives of the Applicants, nor the Monitor (and their respective directors, officers, employees or representatives), shall have any personal liability for any failure by the Applicants to make any Securities Filings.
69. Considering the current CCAA proceedings, the Monitor is of the view that the above relief sought is reasonable in the circumstances.

THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

70. The Monitor believes that Lion should be granted the continued benefit of the protection available pursuant to the CCAA in the form of the ARIO, including the adjustments to the amounts of the CCAA Charges provided therein, since same would provide Lion with the opportunity to attempt a successful restructuring of its operations, namely through Phase 2 of the SISP.
71. As noted above, the current Stay Period expires on February 14, 2025. The Monitor agrees that the extension of the Stay Period sought by the Applicants is required to complete the Restructuring Process.
72. It is the Monitor's view that such a successful restructuring of Lion's operations, as contemplated by the Restructuring Process, is beneficial to Lion's creditors, employees and stakeholders as a whole.
73. The Monitor recommends the approval of the A&R Interim Financing Loan Agreement (and the corresponding increase to the Interim Lenders' Charge) as it is in the best interest of the Company and their stakeholders to have access to the requisite interim financing to continue to pursue the SISP and the present restructuring.

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74. The Monitor also believes that Lion has and continues to act in good faith and with due diligence and that the sought extension of the Stay Period is appropriate.
75. Accordingly, the Monitor recommends that the Stay Period be extended to April 4, 2025, and that the other reliefs sought by the Company in the Second ARIO Application (including the authorization to incur no further expenses in relation with Securities Filing) be granted.
76. The Monitor respectfully submits to the Court its Third Report.

DATED AT MONTREAL, this 12th day of February 2025.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of the
Applicants



Benoit Clouâtre, CPA, CIRP, LIT
Senior Vice President



Jean-François Nadon, CPA, CIRP, LIT
President

APPENDIX A

DISCLAIMED CONTRACTS

THE LION ELECTRIC COMPANY

Disclaimed contracts

As of February 12, 2025

<u>Type of Contract</u>	<u>Contract counterparty</u>	<u>Province/States</u>	<u>Country</u>	<u>Notice Date</u>	<u>Resiliation Date</u>
1. Lease	Société en Commandite Groupe en Capitaux 4200 Boul. St-Laurent	Quebec	Canada	12/27/2024	1/26/2025
2. Lease	Propriétés Cosmopolites Incorporée	Quebec	Canada	12/27/2024	1/26/2025
3. Lease	Comztar Inc.	New Brunswick	Canada	12/27/2024	1/26/2025
4. Lease	5 Road Lands Inc.	British Columbia	Canada	12/27/2024	1/26/2025
5. Lease	Malone Milton Properties LLC	Vermont	United States	12/27/2024	1/26/2025
6. Lease	DP Clifford LLC	California	United States	12/27/2024	1/26/2025
7. Lease	909 North 17th Street LLC	Virginia	Canada	12/27/2024	1/26/2025
8. Lease	Terreno Auburn 400 LLC	Washington	United States	12/27/2024	1/26/2025
9. Lease	JOLIET INDUSTRIAL CPB2, LLC	Illinois	United States	12/27/2024	1/26/2025 <i>Extended</i>
10. Lease	Larson Development 4000 LLC	Minnesota	United States	12/27/2024	1/26/2025
11. Lease	Sherman Warehouse GP	Colorado	United States	12/27/2024	1/26/2025
12. Lease	Jacksonville Re Holdings LLC	Florida	United States	12/27/2024	1/26/2025
13. Equipment leasing	BMO Harris Bank N.A.	Delaware	United States	1/15/2025	2/14/2025

APPENDIX B

ACTUAL CASH FLOW STATEMENT

(UNDER SEAL)

APPENDIX C

CASH FLOW STATEMENT UP TO APRIL 27, 2025

(UNDER SEAL)

EXHIBIT C

Redline

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF TERREBONNE
NO: 700-11-022385-241
DATE: ~~January 7~~ February 14, 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

SECOND AMENDED AND RESTATED INITIAL ORDER

[1] **ON READING** the Debtors' Application for the Issuance of ~~an Initial Order, and a~~ Second Amended and Restated Initial Order ~~and a Sale and Investment Solicitation Process Order dated December 17, 2024~~ dated February 12, 2025 (the "**Application**") filed pursuant to the *Companies' Creditors Arrangement Act*,

RSC 1985, c C-36 (the “**CCAA**”), the sworn statement and the exhibits filed in support thereof;

[2] **CONSIDERING** the 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 “Initial Application”) filed pursuant to the CCAA, the sworn statement and the exhibits filed in support thereof

[3] ~~[2]~~ **CONSIDERING** the ~~Second~~ Third Report to the Court submitted by Deloitte Restructuring Inc. in its capacity as Monitor dated ~~January 3~~ February 12, 2025 (the “**Monitor’s Report**”);

[4] ~~[3]~~ **CONSIDERING** the Initial Order and the SISP Order issued by this Court on December 18, 2024, and the Amended and Restated Initial Order issued by this Court on January 7, 2025;

[5] ~~[4]~~ **CONSIDERING** the notification of the Application;

[6] ~~[5]~~ **CONSIDERING** the submissions of the attorneys present at the hearing on the Application and the testimony of the witnesses heard;

[7] ~~[6]~~ **CONSIDERING** the provisions of the CCAA;

THE COURT HEREBY:

[8] ~~[7]~~ **GRANTS**, in part, the Application.

[9] ~~[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. [Authorization to Incur no Further Expenses in relation to any Securities Filings](#)
- XXIV. ~~XXIII.~~ General

I. SERVICE

- [10] ~~[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.
- [11] ~~[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

- [12] ~~[11]~~ **ORDERS** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

III. EFFECTIVE TIME

- [13] ~~[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~~ February 14, 2025 (the “**Effective Time**”).

IV. APPLICATION OF THE CCAA AND ADMINISTRATIVE CONSOLIDATION

- [14] ~~[13]~~ **DECLARES** that the Debtors are debtor companies to which the CCAA applies.
- [15] ~~[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 700-11-022385-241.
- [16] ~~[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

[17] ~~[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

[18] ~~[17]~~ **ORDERS** that, until and including ~~February 14~~ April 4, 2024~~2025~~, or such later date as the Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), including but not limited to seizures, executions, writs of seizure or execution, any and all actions, applications, arbitration proceedings and other lawsuits 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.

[19] ~~[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

[20] ~~[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

[21] ~~[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.

[22] ~~[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.

[23] ~~[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

[24] ~~[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.

[25] ~~[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

[26] ~~[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

| [27] ~~[26]~~ **ORDERS** that during the Stay Period and subject to paragraph ~~[28]~~[29] 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.

[28] ~~[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.

[29] ~~[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

[30] ~~[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

[31] ~~[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~~17,000,000 (the "**Interim Facility**") outstanding at any time, on the terms and conditions as set forth in the Amended and Restated Interim Financing Loan Agreement, Exhibit R-~~10-2~~17 filed in support of the Application (the "**A&R Interim Financing Loan Agreement**"), with the Cash Flow Projections as Appendix B thereto (under seal, as Exhibit R-~~10A2A~~17A), 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).

[32] ~~[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 A&R 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.

[33] ~~[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.

[34] ~~[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~~20,400,000 (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]~~ and [60] of this Order.

[35] ~~[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.

[36] ~~[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~~A&R Interim Financing Loan Agreement, of the Interim Financing Documents, or of this Order or any other order which may eventually be issued by this Court.

[37] ~~[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.

[38] ~~[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)~~[31] to [36](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

[39] ~~[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.

[40] ~~[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

[41] ~~[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

[42] ~~[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.

[43] ~~[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]~~[42] 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]~~ and [60] of this Order.

[44] ~~[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 ~~[44]~~[42] of this Order.

XVII. KEY EMPLOYEE RETENTION PLAN

[45] ~~[44]~~ **ORDERS** that the terms of the key employee retention plan (the “**KERP**”) reflected Exhibit R-11 to the Initial Application, are hereby approved and the Debtors are hereby authorized to implement the KERP and to make the payments contemplated therein.

[46] ~~[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]~~ and [60] of this Order.

XVIII. RESTRUCTURING

[47] ~~[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]~~[47](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.

[48] ~~[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.

[49] ~~[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 [43](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.

[50] ~~[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.

[51] ~~[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

[\[52\]](#) ~~[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.

[53] ~~[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.

[54] ~~[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.

[55] ~~[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.

[56] ~~[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.

[57] ~~[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.

[58] ~~[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]~~ and [60] of this Order;

XX. PRIORITIES AND GENERAL PROVISIONS RELATING TO CCAA CHARGES

[59] ~~[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.

[60] ~~[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~~Debtors to the CDPQ-Finalta Lenders, but only with respect to the *Biens en priorité de Finalta*, as such term is defined in the NBC/CDPQ-Finalta Intercreditor Agreement.

[61] ~~[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.

[62] ~~[61]~~ **DECLARES** that each of the CCAA Charges shall attach, having the priority established by paragraphs ~~[58] and [59]~~ and [60] 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.

[63] ~~[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

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

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.

[64] ~~[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.

[65] ~~[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

[66] ~~[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.

[67] ~~[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**”).

[68] ~~[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.

[69] ~~[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.

[70] ~~[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

[71] ~~[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.

[72] ~~[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.

[73] ~~[72]~~ **DECLARES** that, for the purposes of any applications authorized by paragraphs ~~[70]~~ and [71] and [72], the Debtors’ centre of main interest is located in the province of Québec, Canada.

XXIII. AUTHORIZATION TO INCUR NO FURTHER EXPENSES IN RELATION TO ANY SECURITIES FILINGS

[74] **ORDERS** that any decision by the Debtors to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, state, provincial or other law respecting securities or capital markets in Canada or in the United States, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Québec) and comparable statutes enacted by other provinces of Canada, *Securities Act of 1933* (United States) and the *Securities Exchange Act of 1934* (United States) and comparable statutes enacted by individual states of the United States, the rules and regulations of the *Autorité des marchés financiers* (Québec) and other Canadian securities regulatory authorities, and the U.S. Securities and Exchange Commission, the TSX Company Manual, the NYSE Listed Company Manual and any other rules, regulations and policies of the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE) (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Debtors failing to make any Securities Filings required by the Securities Provisions.

[75] **ORDERS** that none of the Directors, Officers, employees, and other representatives of Debtors nor the Monitor and its directors, officers, employees and representatives shall have any personal liability for any failure by the Debtors to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the Directors, Officers, employees and other representatives of the Debtors of a nature described in section 11.1 (2) of the CCAA as a consequence of such failure by the Debtors. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Provisions.

XXIV. ~~XXIII.~~ GENERAL

[76] ~~[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.

[77] ~~[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.

[78] ~~[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.

[79] ~~[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.

[80] ~~[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.

[81] ~~[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.

[82] ~~[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.

[83] ~~[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.

[84] ~~[84]~~ **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.

[85] ~~[82]~~ **ORDERS** that Appendix B to the Interim Financing Term Sheet (Exhibit R-10A of the Initial Application), a summary table setting out the material terms of the KERP and the KERP letters (Exhibit R-11) ~~and of the Initial Application~~, the copy of the December NBF Engagement Letter (Exhibit R-12) of the Initial Application, Appendix B to the A&R Interim Financing Loan Agreement (Exhibit R-2A of the Application), Appendix B to the Monitor's Report and Appendix C to the Monitor's Report are confidential and are filed under seal.

[86] ~~[83]~~ **ORDERS** the provisional execution of this Order notwithstanding any appeal and without security.

[87] ~~[84]~~ **THE WHOLE WITHOUT COSTS.**

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