

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-061483-224

DATE: December 15, 2023

BEFORE THE HONOURABLE CHRISTIAN IMMER, J.S.C.

IN THE MATTER OF THE PLANS OF COMPROMISE OF:

**FORMERXBC INC. (FORMERLY XEBEC ADSORPTION INC.)
11941666 CANADA INC. (FORMERLY XEBEC RNG HOLDINGS INC.)
APPLIED COMPRESSION SYSTEMS LTD.
1224933 ONTARIO INC. (FORMERLY COMPRESSED AIR INTERNATIONAL INC.)
FORMERXBC HOLDING USA INC. (FORMERLY XEBEC HOLDING USA INC.)
ENERPHASE INDUSTRIAL SOLUTIONS, INC.
CDA SYSTEMS, LLC
FORMERXBC ADSORPTION USA INC. (FORMERLY XEBEC ADSORPTION USA INC.)
FORMERXBC PENNSYLVANIA COMPANY (FORMERLY THE TITUS COMPANY)
FORMERXBC NOR CORPORATION (FORMERLY NORTEKBELAIR CORPORATION)
FORMERXBC FLOW SERVICES – WISCONSIN INC. (FORMERLY XBC FLOW
SERVICES – WISCONSIN INC.)
CALIFORNIA COMPRESSION, LLC
FORMERXBC SYSTEMS USA, LLC (FORMERLY XEBEC SYSTEMS USA, LLC)
Debtors / Petitioners**

and

DELOITTE RESTRUCTURING INC.
Monitor

ORDER APPROVING A SETTLEMENT AGREEMENT (LRNG)


- [1] **CONSIDERING** the *Application for the Issuance of an Order Approving a Settlement Agreement (LRNG)* (the "**Application**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended ("**CCAA**") and the exhibits and the affidavit of Mr. Dimitrios Vounassis, filed in support thereof;
- [2] **CONSIDERING** the Order Directing Payment in Trust to the Court-Appointed Monitor, issued by the Court on March 16, 2023 (the "**Trust Order**");
- [3] **CONSIDERING** the *Proposed Allocation Method* (the "**Allocation Method**") approved by the Court pursuant to the *Order to Approve a Proposed Allocation Plan* issued by the Court on June 29, 2023 (the "**Allocation Order**");
- [4] **CONSIDERING** the Settlement Agreement entered into on December 12, 2023 between FormerXBC Inc. (formerly Xebec Adsorption Inc.) and London RNG Project I LP (the "**Settlement Agreement**"), filed *under seal* in support of the Application as Exhibit P-2;
- [5] **CONSIDERING** the Monitor's report filed on or before the date hereof;
- [6] **CONSIDERING** the submissions of counsel;
- [7] **CONSIDERING** the testimony of the representative of the Monitor;
- [8] **GIVEN** the provisions of the CCAA;

THE COURT HEREBY:

- [9] **GRANTS** the Application.
- [10] **APPROVES** the Settlement Agreement.
- [11] **ORDERS** that the parties to the Settlement Agreement are authorized and directed to comply with all of their obligations thereunder.
- [12] **ORDERS** that Monitor is hereby authorized and directed to make the payments contemplated in the Settlement Agreement in accordance with the terms therewith, out of the amounts held in trust by the Monitor pursuant to the Trust Order (the "**Settlement Payments**").

- [13] **DECLARES** that, for the purpose of implementing the Allocation Method provided for in the Allocation Order, the sum of \$850,000 (being the Settlement Payment to be kept in a Monitor's trust account) shall be treated as a *pro forma* cash inflow of FormerXBC Inc. (formerly Xebec Adsorption Inc.), which will effectively reduce the BLA Shortfall Repayment (as such term is defined in the Allocation Method) by an equivalent amount.
- [14] **ORDERS** that, notwithstanding:
- (a) the pendency of these CCAA proceedings;
 - (b) any applications for any bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") in respect of one or more of any of the Debtors / Petitioners or any of their respective predecessors, successors or heirs (collectively, the "**Identified Parties**"), and any bankruptcy order issued pursuant to any such applications; and
 - (c) any subsequent assignment in bankruptcy made in respect of any of the Identified Parties,
- the payment of the Settlement Payments shall be binding on any trustee in bankruptcy that is now or that may be appointed in respect of any of the Identified Parties and shall not be void or voidable by creditors of any of the Identified Parties, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA, the CCAA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial laws.
- [15] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [16] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America, including without limitation the United States Bankruptcy Court for the District of Delaware, and any court or administrative body elsewhere, to give effect to this Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Order.
- [17] **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable on December 15, 2023 and hereby dispenses with further service thereof.

- [18] **PERMITS** service of this Order at any time and place and by any means whatsoever.
- [19] **ORDERS** that Exhibit P-2 to the Application shall be filed under seal and kept confidential until further order of this Court.
- [20] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.
- [21] **THE WHOLE WITHOUT COSTS.**



Christian Immer, J.S.C.

MTRE SANDRA ABITAN
MTRE JULIEN MORISSETTE
MTRE ILIA KRAVTSOV
MTRE SOPHIE COURVILLE-LE BOUYONNEC
(OSLER HOSKIN & HARCOURT LLP)
COUNSEL TO THE PETITIONERS

Hearing date: December 15, 2023