

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-061483-224

DATE: September 29, 2023

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

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT 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 EXTENDING THE STAY OF PROCEEDINGS, APPROVING A SETTLEMENT
PAYMENT AND OTHER ANCILLARY RELIEF**

- [1] **CONSIDERING** the *Application for the Issuance of a Stay Extension and Settlement Payment Approval Order* (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 Eleventh Report of the Monitor dated September 27, 2023;
- [3] **CONSIDERING** the Settlement Agreement filed in support of the Application as Exhibit P-2 under seal but the terms of which are discussed extensively in the Monitor's Report and in the Application (the "**Settlement Agreement**");
- [4] **CONSIDERING** the submissions of counsel;
- [5] **CONSIDERING** the testimony of the representative of the Monitor, Julie Mortreux;
- [6] **GIVEN** the provisions of the CCAA;
- [7] **GIVEN** the Fifth Amended and Restated Initial Order rendered by the Court on March 27, 2023 (the "**Fifth ARIO**");
- [8] **GIVEN** the Claims Procedure Order rendered by the Court on May 24, 2023 (the "**Claims Procedure Order**");

FOR THE REASONS PROVIDED ORALLY, THE COURT HEREBY:

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

STAY EXTENSION

- [10] **EXTENDS** the Stay Period (as defined in the Fifth ARIO) to and including December 15, 2023 at 11:59 p.m. (Montreal time).

SETTLEMENT PAYMENT APPROVAL

- [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 payment contemplated in the Settlement Agreement in accordance with the terms therewith, out of the net transaction proceeds it holds in trust following transactions completed as part of the CCAA Proceedings (the "**Settlement Payment**").

[13] **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 Payment 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.

CLARIFICATION OF THE CLAIMS PROCEDURE ORDER

[14] **DECLARES** that paragraph 14 of the Claims Procedure Order does not apply to Scheduled Employees of FormerXBC Inc. and **DISPENSES** the Monitor from the obligation to send the Notice of Scheduled Employee's Claim, together with a Claims Package (as such terms are defined in the Claims Procedure Order) to such employees.

[15] **DECLARES** that, for any Scheduled Employee that has received or will have received a Notice of Scheduled Employee's Claim after June 22nd, 2023, paragraph 14 of the Claims Procedure Order will apply, *mutatis mutandis*, thereby providing a thirty (30) day delay following the issuance of the Notice of Scheduled Employee's Claim to send a Notice of Dispute, unless such Scheduled Employee has filed a Proof of Claim against the Debtors (as such terms are defined in the Claims Procedure Order).

SEALING

[16] **CONFIRMS AND RESTATES** that Exhibit P-2 to the Application shall be filed under seal and kept confidential until further order of this Court.

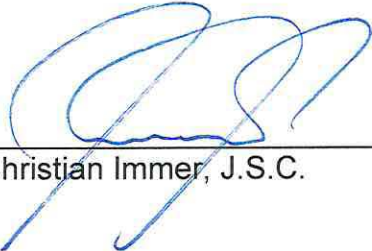
GENERAL

[17] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

[18] **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.

[19] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.

[20] **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: September 29, 2023