

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

FORMERXBC HOLDING USA INC.
(f/k/a XEBEC HOLDING USA INC.), *et al.*,

Debtor in a foreign proceeding.¹

Chapter 15

Case No. 22-10934 (KBO)

Jointly Administered

Re: D.I. No. 197

**ORDER (I) GRANTING RECOGNITION AND ENFORCEMENT OF
CANADIAN COURT'S ORDER APPROVING DEBTORS' PLANS OF COMPROMISE
AND ADJUSTMENT AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of FormerXBC Inc. (f/k/a Xebec Adsorption Inc.) (the “**Foreign Representative**”), in its capacity as the duly-appointed foreign representative for the above-captioned debtors (collectively, the “**Debtors**”), for the entry of an order (i) granting recognition and enforcement of the Sanction Order, a copy of which is attached hereto as **Exhibit 1**, pursuant to section 1521 of the Bankruptcy Code, and (ii) granting related relief; and upon the Court’s review and consideration of the Motion and the documents attached thereto [Docket No. 197]; and upon the Court’s review and consideration of the *Declaration of Julien Morissette, as Canadian Counsel to the Debtors, in Support of Foreign Representative’s Motion for Entry of an Order (I) Granting Recognition and Enforcement of Canadian Order Sanctioning Plans of Compromise and Ancillary Relief and (II) Granting Related Relief* [Docket No. 198];

¹ The Debtors in the chapter 15 proceedings and the last four digits of their federal tax identification numbers are: FormerXBC Inc. (f/k/a Xebec Adsorption Inc.) (0228), 11941666 Canada Inc. (f/k/a Xebec RNG Holdings Inc.) (N/A), Applied Compression Systems Ltd. (N/A), 1224933 Ontario Inc. (f/k/a Compressed Air International Inc.) (N/A), FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.) (8495), Enerphase Industrial Solutions Inc. (1979), CDA Systems, LLC (6293), FormerXBC Adsorption USA Inc. (f/k/a Xebec Adsorption USA Inc.) (0821), FormerXBC Pennsylvania Company (f/k/a The Titus Company) (9757), FormerXBC NOR Corporation (f/k/a Nortekbelair Corporation) (1897), FormerXBC Flow Services – Wisconsin Inc. (f/k/a XBC Flow Services – Wisconsin Inc.) (7493), California Compression, LLC (4752), and FormerXBC Systems USA, LLC (f/k/a Xebec Systems USA LLC) (4156). The location of the Debtors’ corporate headquarters and the Debtors’ foreign representative is: 730 Industriel Boulevard, Blainville, Quebec, J7C 3V4, Canada.

² Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

the Court having the authority to grant the relief related herein and the relief requested herein being warranted; the Court having determined that service of the Motion was appropriate, sufficient, and timely; the Court having determined that the relief requested in the Motion is necessary and beneficial to the Debtors; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:³

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

B. This Court may enter a final order consistent with Article III of the United States Constitution.

C. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant section 1521 of the Bankruptcy Code, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of granting that relief.

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

FOR ALL OF THE FOREGOING REASONS AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFOR, IT IS HEREBY

ORDERED, ADJUDGED, AND DECREED, that:

³ The findings and conclusions set forth herein and in the record of any hearing on the Motion constitute this Court's findings of facts and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

1. The Motion is GRANTED as set forth herein and any objections thereto are overruled with prejudice.

2. The Debtors are authorized to take any actions in the United States that are necessary or appropriate to implement the transactions or actions contemplated under the Sanction Order, including, without limitation, implementing the Plans and entering into any agreements or other documents that are to come into effect in connection with the Sanction Order.

3. Upon entry of this Order, the Sanction Order and all transactions or actions in connection therewith taken before or after the entry of this Order shall be given full faith and credit in the United States and shall be immediately valid and fully enforceable as to the Debtors and their property and assets in the United States.

4. All parties are hereby permanently enjoined from asserting any debt, claim, or interest affected by the Sanction Order and the Plans, except as expressly provided by the Plans, the Sanction Order, and the agreements and documents related to the Plans, including, without limitation: (i) executing against any of the Debtors' assets; (ii) commencing or continuing, including, without limitation, issuing or employing process, of a judicial, quasi-judicial, administrative, regulatory, arbitral, or other action or proceeding, or to recover a claim, including, without limitation, any and all unpaid judgments, settlements, or otherwise against the Debtors, their property, or any direct or indirect transferee of or successor to any property of the Debtors, or any property of such transferee or successor, or the seeking of any discovery related to any of the foregoing; (iii) taking or continuing any act to create, perfect, or enforce a lien or other security interest, setoff, or other claim against the Debtors or any of their property or proceeds thereof, that in any case is in any way inconsistent with, relates to, or would interfere

with, the administration of the Debtors' estates in the Canadian Proceeding, Canadian law, or the implementation or consummation of the Sanction Order or the Plans; (iv) transferring, relinquishing, or disposing of any property of the Debtors to any person or entity other than the Foreign Representative, the Monitor, or their respective authorized representatives and agents or taking or continuing any act to obtain possession of, commingle, or exercise control over, such property, that in any case is in any way inconsistent with, relates to, or would interfere with, the administration of the Debtors' estates in the Canadian Proceeding, Canadian law, or the implementation or consummation of the Sanction Order or the Plans; or (v) continuing in any manner, directly or indirectly, an individual action or proceeding concerning the Debtors' assets, rights, obligations, or liabilities, or to resolve any dispute arising out of any provision of the Plans or Canadian law relating to the Plans.

5. Except to the extent provided by the Plans, the Sanction Order, or the agreements entered into in connection therewith, all persons and entities are enjoined from seizing, attaching, and enforcing or executing liens or judgments against the Debtors' property in the United States or from transferring, encumbering, or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Foreign Representative or the Monitor.

6. Except to the extent provided by the Plans, the Sanction Order, or the agreements entered into in connection therewith, all persons and entities are enjoined from commencing or continuing, including, without limitation, the issuance or employment of process of, any judicial, administrative, or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory,

administrative, or other judgment, assessment, order, lien, or arbitration award against the Debtors or their assets or proceeds thereof.

7. Upon the implementation of each of the Plans, any judgment, wherever and whenever obtained, to the extent such judgment is a determination of the liability of the Debtors or any other person or entity released under such Plan or the Sanction Order, with respect to any debt cancelled, discharged, or restructured under such Plan or the Sanction Order, or as a result of Canadian law relating to such Plan, is unenforceable in the United States, in each case, to the extent inconsistent with such Plan, the Sanction Order, or such Canadian law.

8. All releases and injunctions provided for in the Plans or included the Sanction Order, including the Plan Releases and the FormerXBC Releases, are hereby expressly approved and incorporated herein. Notwithstanding the foregoing, the claim (the “Brozelco D&O Claim”) asserted by Brozelco, Inc. (“Brozelco”) against Mahmoud (Mike) Zarif (“Mr. Zarif”), which is defined as the “D&O Claim” in that certain *Limited Objection of Brozelco, Inc., to the Foreign Representative’s Motion for Entry of an Order (I) Granting Recognition and Enforcement of Canadian Order Sanctioning Plans of Compromise and Ancillary Relief and (II) Granting Related Relief* [Docket No. 201], does not constitute a claim released pursuant to the Plan Releases or the FormerXBC Releases, and is not affected by this Order. For the avoidance of doubt, nothing in this Order shall: (a) prohibit Brozelco from pursuing the Brozelco D&O Claim against Mr. Zarif, in his personal capacity; (b) be deemed to adjudicate or otherwise express an opinion on the merits of the Brozelco D&O Claim; or (c) affect, restrict, or release any claims, counterclaims, or defenses Mr. Zarif may have against Brozelco.

9. The following provisions from Article 6 of each Plan are hereby approved, and so ordered, and shall be immediately effective and enforceable upon implementation of the relevant

Plan without further order or action by the Bankruptcy Court, any of the parties or entities to such releases or injunction, or any other Person (as defined in the Plans).⁴

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and

⁴ Capitalized terms used in Article 6 of the Plans shall have the meanings ascribed to such terms in the Plans, which are attached hereto as **Schedules A – H** to **Exhibit 1** hereto.

the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1 (2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

10. The following releases approved by the Canadian Court in Paragraph 35 of the Sanction Order are hereby approved, and so ordered, and shall be immediately effective and enforceable upon the issuance of the Certificate of Implementation (as defined in the Plans) in respect of each Plan Debtor without further order or action by the Bankruptcy Court, any of the parties or entities to such releases, or any other Person (as defined in the Plans):

[35] ORDERS that effective as of the date of the issuance of the Certificate of Implementation in respect of each Plan Debtor (in such capacities, collectively, the “FormerXBC Released Parties”):

- (a) current Directors of FormerXBC;**
- (b) Dimitrios (Jim) Vounassis, Mike Munro, Michael Nadeau, Russel Warner, Nathalie Théberge, Stéphane Archambault, in their capacity as Officers and/or consultants of FormerXBC;**
- (c) FormerXBC’s legal counsel (Osler, Hoskin & Harcourt LLP, McDonald Hopkins, Bielli & Klauder LLC, Clifford Chance LLP, Stevens & Bolton LLP) in relation to these CCAA Proceedings and the U.S. Case;**
- (d) financial advisors (National Bank Financial) in relation to these CCAA Proceedings and the U.S. Case; and**
- (e) the Monitor (Deloitte Restructuring LLP) and its legal counsel (McCarthy Tétrault LLP, Holland & Knight LLP) in relation to these CCAA Proceedings and the U.S. Case;**

shall all be deemed to be forever irrevocably released and discharged from any demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, Taxes, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence based in whole or in part on any act or omission, transaction, that constitute or are in any way relating to, arising out of, or in connection with any Claims (including any and all D&O Claims as well as any Claims in respect of statutory liabilities of all Directors, Officers and Employees of Former XBC and any alleged fiduciary or other duty), the business and affairs of FormerXBC, the administration and/or management of FormerXBC, the CCAA Proceedings or the U.S. Case as they relate to FormerXBC, or any Claim that has been barred or extinguished by the Claims Procedure Order (collectively, the “FormerXBC Released Claims”), which FormerXBC Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the FormerXBC Released Parties, all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) the Directors with respect to matters set out in Section 5.1(2) of the CCAA; and (ii) the FormerXBC Released Parties with respect to intentional or gross

fault, a gross fault is a fault which shows gross recklessness, gross carelessness or gross negligence.

11. Nothing in this Order shall enjoin or otherwise bar the United States Federal government from exercising police and regulatory powers (other than the enforcement of a money judgment on a claim arising on or prior to the Petition Date) as set forth in sections 362(b)(4) or 1521(d) of the Bankruptcy Code; provided that any such claim (as defined in section 101(5) of the Bankruptcy Code) of the United States Federal government shall have been asserted in the Canadian Proceeding and treated as set forth in the Canadian Proceeding or the Plans.

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

13. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Foreign Representative is not subject to any stay of the implementation, enforcement, or realization of the relief granted in this Order; and (iii) the Foreign Representative is authorized and empowered, and may in its discretion without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

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

15. This Order shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

Exhibit 1

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-061483-224

DATE: December 19, 2023

PRESIDING: 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

SANCTION ORDER

- [1] **CONSIDERING** the *Application for the Issuance of a Sanction Order and Ancillary Relief* (the "**Application**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") of the Petitioners and the affidavit of Mr. Dimitrios Vounassis, filed in support thereof;
- [2] **CONSIDERING** the submissions of counsel present at the hearing in the Application;
- [3] **CONSIDERING** the Monitor's report filed in connection with the Application (the "**Monitor's Report**");
- [4] **CONSIDERING** the testimony of the Monitor's representative at the hearing on the Application;
- [5] **CONSIDERING** the testimony of Mr. Dimitrios Vounassis at the hearing on the Application;
- [6] **CONSIDERING** the First Day Initial Order ("**FDIO**") rendered by this Court on September 29, 2022, as amended and restated from time to time by the issuance of various Amended and Restated Initial Orders, including the latest Fifth Amended and Restated Initial Order issued by this Court on March 27, 2023 (the "**Fifth ARIO**");
- [7] **CONSIDERING** the Claims Procedure Order dated May 24, 2023 (as it may be subsequently amended or clarified from time to time, the "**Claims Procedure Order**");
- [8] **CONSIDERING** the Plan Filing and Meeting Order rendered by this Court on October 31, 2023 (the "**Meeting Order**");
- [9] **CONSIDERING** the Plans of Compromise pursuant to the CCAA filed by each of Applied Compression Systems Ltd., Enerphase Industrial Solutions, Inc., 1224933 Ontario Inc. (formerly Compressed Air International Inc.), California Compression, LLC, CDA Systems, LLC, FormerXBC NOR Corporation (formerly Nortekbelair Corporation), FormerXBC Pennsylvania Company (formerly The Titus Company), FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.), and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.), FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) and FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) (the "**Plan Debtors**", and each individually, a "**Plan Debtor**"), all dated October 26, 2023, attached hereto as **Schedules "A", "B", "C", "D", "E", "F", "G", "H", "I", "J", and "K"** (as they may be amended, supplemented and restated from time to time, each a "**Plan**" and collectively, the "**Plans**");

[10] **CONSIDERING** the Amended Plans of Compromise filed by each of Applied Compression Systems Ltd. and 1224933 Ontario Inc. (formerly Compressed Air International Inc.), both dated November 29, 2023, attached hereto as **Schedules "A-1" and "C-1"**;

[11] **CONSIDERING** the Creditors' Meeting duly held on November 30, 2023 pursuant to the Meeting Order (the "**Creditors' Meeting**") and the favorable vote of the overwhelming majority of the Affected Creditors;

[12] **GIVEN** the provisions of the CCAA;

THE COURT HEREBY:

[13] **GRANTS** the Application.

[14] **ISSUES** this Sanction Order pursuant to the CCAA (the "**Sanction Order**"), divided under the following headings:

- (a) Service;
- (b) Definitions;
- (c) Notification and Meeting;
- (d) Sanction of the Plans;
- (e) Implementation of the Plans;
- (f) Distributions Administered by the Monitor and Determination of Disputed Claims;
- (g) Releases and Discharges;
- (h) Monitor;
- (i) Aid and Assistance of Other Courts;
- (j) General Provisions.

A. SERVICE

[15] **DECLARES** 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.

[16] **PERMITS** the service of this Sanction Order at any time and place and by any means whatsoever.

B. DEFINITIONS

[17] **DECLARES** that, unless otherwise indicated, capitalized terms found herein shall have the same meanings ascribed thereto in the Plans.

C. NOTIFICATION AND MEETING

[18] **DECLARES** that the notification procedures set forth in the Meeting Order have been duly followed, that there has been valid and sufficient notice of the Creditors' Meeting, that there has been valid and sufficient transmission of the Meeting Materials and that the Creditors' Meeting has been duly convened, held and conducted in accordance with the CCAA, the Meeting Order and any and all other applicable orders of the Court.

D. SANCTION OF THE PLANS

[19] **DECLARES** that:

- (a) each Plan has been duly approved by the Required Majority, in conformity with the CCAA;
- (b) the Plan Debtors have complied with the provisions of the CCAA and the orders made by this Court in the context of these proceedings (the "**CCAA Proceedings**") in all respects;
- (c) the Court is satisfied that the Plan Debtors have not done or purported to do anything that is not authorized by the CCAA; and
- (d) the Plans and their implementation are fair and reasonable and in the best interest of the Plan Debtors, their creditors and their other stakeholders.

[20] **ORDERS** that the Plans, including the compromises, transactions, arrangements and releases set out therein, and their implementation, are sanctioned and approved entirely pursuant to Section 6 of the CCAA.

E. IMPLEMENTATION OF THE PLANS

[21] **ORDERS** that the Plan Debtors and the Monitor, as the case may be, are authorized and directed to take all steps and actions necessary or appropriate to implement the Plans, in the manner set forth in the Plans and this Sanction Order, and to perform their duties and functions, in accordance with and subject to the terms of each Plan, and such steps and actions are hereby approved.

[22] **DECLARES** that the determination of Proven Claims in accordance with the Claims Procedure Order shall be final and binding on each Plan Debtor and all of their respective Creditors.

[23] **ORDERS** that, upon satisfaction of the Plan Implementation Conditions and following receipt by the Monitor of a written notice from each Plan Debtor of the

fulfillment of the Plan Implementation Conditions set forth in subsection 7.2 of each Plan, the Monitor shall, as soon as reasonably practicable, (a) issue and file with this Court the Certificate of Implementation and (b) post a copy of same on the Monitor's Website.

[24] **ORDERS and DECLARES** that, on the Plan Implementation Date, each Plan and all associated steps, compromises, transactions, arrangements, and releases effected thereby shall be binding and effective upon each Plan Debtor and their respective Creditors, Directors, Officers and all other Persons affected by each Plan.

[25] **ORDERS and DECLARES** that, from and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have waived any and all defaults of each Plan Debtor then existing or previously committed or caused by each Plan Debtor or arising, directly or indirectly, from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and each Plan Debtor arising from each Plan Debtor's insolvency, the filing by each Plan Debtor under the CCAA, the filing by each Plan Debtor of the U.S. Case or the transactions contemplated by each Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing herein shall be deemed to excuse each Plan Debtor from performing its obligations under each Plan, or be a waiver of any default by each Plan Debtor under its Plan.

[26] **DECLARES** that notwithstanding:

- (a) the pendency of the CCAA Proceedings and the declarations of insolvency made therein;
- (b) the pendency of any applications for bankruptcy orders hereafter issued pursuant to the BIA in respect of the Plan Debtors and any bankruptcy orders issued in respect of the Plan Debtors, assignments in bankruptcy of any of the Plan Debtors; or
- (c) section 36.1 of the CCAA and sections 95 through 101 of the BIA and any other federal and provincial law or legislation in any foreign jurisdiction (including the United States of America) relating to preferences, fraudulent conveyances, transfers at undervalue, Paulian actions or other similar void or voidable transaction;

the distributions, payments, releases and compromises contemplated to be performed or effected pursuant to each Plan, do not and shall not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions, or conduct giving rise to an oppression

remedy under any applicable law, nor will they constitute a distribution of property requiring the Monitor, the Plan Debtors, or any of the Directors and Officers to seek and obtain a certificate or authorization of any nature whatsoever.

- [27] **DECLARES** that each Plan and associated steps, compromises, transactions, arrangements and releases effected thereby shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of the Plan Debtors and shall not be void or voidable by its creditors or any other Person.

F. DISTRIBUTIONS ADMINISTERED BY THE MONITOR AND DETERMINATION OF DISPUTED CLAIMS

- [28] **ORDERS** that the Monitor is authorized and directed to determine all Claims, including the Disputed Claims, if any, in accordance with the Claims Procedure Order, the Meeting Order, this Sanction Order and each Plan.

- [29] **ORDERS** that the Monitor is authorized and directed to administer all distributions and payments to the Affected Creditors from the Distribution Proceeds, in accordance with each Plan and any further order of the Court.

- [30] **ORDERS AND DIRECTS** the Petitioners, on or before the Plan Implementation Date, to wire or otherwise transfer any and all funds remaining in their respective bank accounts to the Monitor for the purposes of including such funds in the Administrative Reserve Account and closing the Petitioners' bank accounts.

- [31] **ORDERS AND AUTHORIZES** upon closure of the bank accounts and of the transfer of funds as set forth in paragraph [30] of this Sanction Order, the Monitor to collect any and all payables or amounts otherwise owing to the Petitioners, including any and all tax reimbursements payable to FormerXBC Inc. (formerly Xebec Adsorption Inc.) ("**FormerXBC**"), which amounts shall be paid to the Monitor and held in trust by the Monitor for distribution to the Petitioners' creditors, after being allocated pursuant to the Allocation Method and the Allocation Order.

- [32] **ORDERS AND DECLARES** that all distributions and payments by or at the direction of the Monitor, in each case on behalf of one of the Plan Debtors under its Plan, are for the account of such Plan Debtor and the fulfillment of its obligations under its Plan.

- [33] **ORDERS** that any Undelivered Distributions be dealt with in accordance with subsection 5.9 of each Plan.

G. RELEASES AND DISCHARGES

- [34] **ORDERS and DECLARES** that each of the releases contemplated by Subsections 6.1 and 6.2 of each Plan are hereby and shall be implemented and in effect in accordance with the terms of each Plan, including, without limitation, as follows:

- (a) On the Plan Implementation Date, (i) the Directors, the Officers and each Plan Debtor' Employees, (ii) each Plan Debtor' legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative's legal counsel and agents in relation to the U.S. Case, (iv) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case, and (v) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtors, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, Taxes, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all D&O Claims as well as any Claims in respect of statutory liabilities of all Directors, Officers and Employees of each Plan Debtor and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of each Plan Debtor, each Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under each Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA;
- (b) On the Plan Implementation Date, each of the Plan Debtors shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, Taxes, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement its Plan, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of

each Plan Debtor, each Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce each Plan Debtor's obligations under each Plan and this Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge each Plan Debtor from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of a Plan:

[35] **ORDERS** that effective as of the date of the issuance of the Certificate of Implementation in respect of each Plan Debtor (in such capacities, collectively, the "**FormerXBC Released Parties**"):

- (a) current Directors of FormerXBC;
- (b) Dimitrios (Jim) Vounassis, Mike Munro, Michael Nadeau, Russel Warner, Nathalie Théberge, Stéphane Archambault, in their capacity as Officers and/or consultants of FormerXBC;
- (c) FormerXBC's legal counsel (Osler, Hoskin & Harcourt LLP, McDonald Hopkins, Bielli & Klaunder LLC, Clifford Chance LLP, Stevens & Bolton LLP) in relation to these CCAA Proceedings and the U.S. Case;
- (d) financial advisors (National Bank Financial) in relation to these CCAA Proceedings and the U.S. Case; and
- (e) the Monitor (Deloitte Restructuring LLP) and its legal counsel (McCarthy Tétrault LLP, Holland & Knight LLP) in relation to these CCAA Proceedings and the U.S. Case;

shall all be deemed to be forever irrevocably released and discharged from any demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, Taxes, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence based in whole or in part on any act or omission, transaction, that constitute or are in any way relating to, arising out of, or in connection with any Claims (including any and all D&O Claims as well as any Claims in respect of statutory liabilities of all Directors, Officers and Employees of Former XBC and any alleged fiduciary or other duty), the business and affairs of FormerXBC, the administration and/or management of FormerXBC, the CCAA Proceedings or the U.S. Case as they relate to FormerXBC, or any Claim that has been barred or extinguished by the Claims Procedure Order (collectively, the

"FormerXBC Released Claims"), which FormerXBC Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the FormerXBC Released Parties, all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) the Directors with respect to matters set out in Section 5.1(2) of the CCAA; and (ii) the FormerXBC Released Parties with respect to intentional or gross fault, a gross fault is a fault which shows gross recklessness, gross carelessness or gross negligence.

[36] **ORDERS** that, subject to the provisions of paragraph [34] of this Sanction Order, the releases set forth in Subsections 6.1, 6.2 and 6.3 of each Plan shall be effective and shall inure to the benefit of and be binding upon each Plan Debtor, the Creditors and other Persons referred to in each Plan, the whole in accordance with the terms of each Plan.

[37] **PRECLUDES** the prosecution by or on behalf of any Person against the Released Parties or their respective successors and assigns, whether directly, derivatively or otherwise, of any claim, obligation, omission, suit, judgement, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to each Plan.

[38] **ORDERS and DECLARES** that, without limitation to the terms set forth in the Claims Procedure Order, the Meeting Order or any order issued by this Court in these CCAA Proceedings, all Proven Claims determined in accordance with the Claims Procedure Order and each Plan are final and binding upon the Plan Debtors and all Affected Creditors, and any Affected Claim or portion thereof which has been revised or disallowed by the Monitor pursuant to the Claim Process Order and in respect of which an appeal by the Creditor has been dismissed or the appeal period has expired, shall be forever barred and extinguished and shall not be entitled to any distribution under any Plan.

[39] **ORDERS** that, without limitation to the terms set forth in the Claims Procedure Order, any holder of a Claim who did not file a Proof of Claim in accordance with the provisions of the Claims Procedure Order, save and except late claims identified in the Orders Authorizing the Review of Certain Late Claims dated November 1st, 2023 and December 15, 2023, shall be and is hereby forever barred from making any Claim against the Plan Debtors and their respective directors and officers, and any of their respective successors and assigns, and shall not be entitled to any distribution under the Plans, and that such Claims are and shall be forever extinguished.

H. ADMINISTRATIVE RESERVE

[40] **ORDERS** the constitution of the Administrative Reserve in the amounts of CAD \$4,000,000 and USD \$355,000 to be held in each Administrative Reserve Account (CAD and USD) for the purpose of paying the Administrative Reserve Costs.

- [41] **ORDERS** that the Administrative Reserve Costs to be paid out of the Administrative Reserve include all items provided in the definition of Administration Reserve Costs under each of the Plans, for each of the Plan Debtors as well as for FormerXBC and 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.), notwithstanding the absence of a plan for these latter entities.
- [42] **AUTHORIZES** the Monitor to proceed with any required transfers between the CAD and USD Administrative Reserve Account, to its sole discretion and as it deems necessary.
- [43] **ORDERS AND DECLARES** that the Monitor may, in its sole discretion, reduce each Administrative Reserve and include any proceeds resulting from such reduction in the Distribution Proceeds for distribution to the creditors as provided for under each Plan.

I. MONITOR

- [44] **DECLARES**, for greater certainty, that the protections afforded to the Monitor pursuant to the terms of the Fifth ARIO and the other orders made in the CCAA Proceedings shall not expire and terminate on the Plan Implementation Date and, subject to the terms hereof, shall remain effective and in full force and effect until further order of the Court.
- [45] **ORDERS** that in addition to its powers under the Fifth ARIO and Section 23 of the CCAA, the Monitor is authorized, but not obliged to:
- (a) execute, issue or endorse documents of whatever nature in respect of the Petitioners, whether in the Monitor's name or on behalf of any of the Petitioners (including without limitation corporate documents, financial statements, tax returns and tax filings);
 - (b) make payments, on behalf of the Petitioners, out of the Administrative Reserve Account; and
 - (c) file an assignment in bankruptcy in respect of any of the Petitioners.
- [46] **ORDERS** that as of the Plan Implementation Date, the Monitor shall be authorized and directed to administer and finally determine the Proven Claims of each Plan Debtor's creditors and to manage the distribution of the Distribution Proceeds in accordance with the Claims Procedure Order and each Plan.
- [47] **ORDERS AND DECLARES** that any distributions under each Plan and this Order shall not constitute a "distribution" and the Monitor shall not constitute a "legal representative" or "representative" of each Plan Debtor for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada) or any other similar federal, provincial or territorial tax legislation (collectively the "**Tax Statutes**") given that the Monitor is only a disbursing agent under each Plan, and the Monitor in making such payments is not "distributing", nor shall be considered to "distribute" nor to have "distributed", such funds for the

purpose of the Tax Statutes, and the Monitor shall not incur any liability under the Tax Statutes in respect of it making any payments ordered or permitted hereunder, and is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of payments made under each Plan and this Order and any claims of this nature are hereby forever barred.

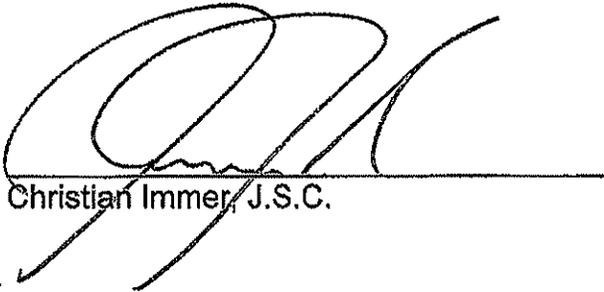
- [48] **DECLARES** that the Monitor shall not, under any circumstances, be liable for any of the Plan Debtors' tax and/or fiscal liabilities arising from Tax Statutes or otherwise, regardless of how or when such liability may have arisen, and, for greater certainty, the Monitor shall not be liable for any withholding obligations.
- [49] **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Sanction Order or each Plan and, where the Monitor is satisfied that any matter to be proven under this Sanction Order or each Plan has been adequately proven, the Monitor may waive strict compliance with the requirements of this Sanction Order as to the completion and execution of documents.
- [50] **ORDERS** that the Monitor may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of this Sanction Order, including, without limitation, one or more entities related to or affiliated with the Monitor.
- [51] **ORDERS** that the Monitor shall discharge its functions, powers and duties under this Sanction Order pursuant to its sole discretion and judgment.

J. AID AND ASSISTANCE OF OTHER COURTS

- [52] **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 Sanction Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Sanction Order. All Courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Petitioners and the Monitor as may be necessary or desirable to give effect to this Sanction Order in any foreign proceeding, to assist the Petitioners and the Monitor and their respective agents in carrying out this Sanction Order.
- [53] **DECLARES** that FormerXBC, as foreign representative of the Plan Debtors, shall be authorized and is hereby authorized to apply for recognition by the U.S. Court of the present Sanction Order.

K. GENERAL PROVISIONS

- [54] **ORDERS** that the Plan Debtors and the Monitor may apply to this Court for advice and directions in respect of any matters arising from, in connection with or under each Plan or the CCAA Proceedings, including the releases contained in each Plan and in this Sanction Order, the distribution mechanics in each Plan or in respect of the proper execution of this Sanction Order.
- [55] **ORDERS** the provisional execution of this Sanction Order notwithstanding appeal and without security.
- [56] **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 PETITIONER

Hearing date: December 15, 2023

Schedule A -- Plan of Applied Compression Systems Ltd.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF APPLIED COMPRESSION SYSTEMS LTD.

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, Applied Compression Systems Ltd. (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

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"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured,

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unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAL, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, resiliation, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "Distribution Proceeds") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "Distribution"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca / fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca / meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of Applied Compression Systems Ltd. pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of Applied Compression Systems Ltd. (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of Applied Compression Systems Ltd. and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule A-1 - Amended Plan of Compromise of Applied Compression Systems Ltd.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
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HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

AMENDED PLAN OF COMPROMISE OF APPLIED COMPRESSION SYSTEMS LTD.

NOVEMBER 29, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order and the Plan's implementation; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "Plan Implementation Conditions") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 29th day of November 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Amended Plan of Compromise of Applied Compression Systems Ltd. pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated November 29, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of Applied Compression Systems Ltd. (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of Applied Compression Systems Ltd. and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule B – Plan of Enerphase Industrial Solutions, Inc.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
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No.: 500-11-061483-224

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

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-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
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-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF ENERPHASE INDUSTRIAL SOLUTIONS, INC.

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the "**Petitioners**") obtained an Initial Order (which was further amended, restated or varied from time to time, the "**Initial Order**") of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the "**Court**"), commencing proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the "**CCAA**") and appointing Deloitte Restructuring Inc. as monitor (the "**Monitor**");
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the "**U.S. Bankruptcy Code**") and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the "**Allocation Order**") which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the "**Allocated Net Proceeds**" and the "**Allocation Method**");
4. On October 26, 2023, the Petitioners and Export Development Canada ("**EDC**") entered into a Plan Support and Settlement Agreement (the "**Plan Support Agreement**") to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, Enerphase Industrial Solutions, Inc. (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed,

contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any the amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

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"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

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"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

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5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (g) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (h) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (i) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (j) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (k) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (l) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of Enerphase Industrial Solutions, Inc. pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of Enerphase Industrial Solutions, Inc. (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of Enerphase Industrial Solutions, Inc. and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule C – Plan of 1224933 Ontario Inc. (formerly Compressed Air International Inc.)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF 1224933 ONTARIO INC. (FORMERLY COMPRESSED
AIR INTERNATIONAL INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the "Plan Debtor") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"**ACS**" means Applied Compression Systems Ltd.;

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order;

"**Administration Claim**" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"**Administrative Reserve**" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"**Administrative Reserve Account**" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"**Administrative Reserve Costs**" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"**Affected Claim**" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed,

contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder; **"Effective Time"** means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

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"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

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"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

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"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the

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CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of

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the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

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5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "Distribution Proceeds") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount;
- (b) *second*, to each Affected Creditor for the remainder of its Proven Claim (including the interest provided for at Section 5.7 of this Plan); and
- (c) *third*, to BLA, as the sole shareholder of the Plan Debtor.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "Distribution"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Proven Claims will bear interest at the rate of 5% per annum for the period commencing on the Determination Date and ending on the relevant Distribution Date (until repaid in full).

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (m) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (n) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (o) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (p) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (q) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (r) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramourncy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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FORMERXBC FLOW SERVICES – WISCONSIN INC. (formerly **XBC FLOW SERVICES – WISCONSIN INC.**)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly **XEBEC SYSTEMS USA, LLC**)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) and not in its personal or corporate capacity.

Per:

Name:
Title:

Schedule C-1 – Amended Plan of Compromise of 1224933 Ontario Inc. (formerly
Compressed Air International Inc.)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**AMENDED PLAN OF COMPROMISE OF 1224933 ONTARIO INC. (FORMERLY
COMPRESSED AIR INTERNATIONAL INC.)**

NOVEMBER 29, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed,

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contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAL, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder; **"Effective Time"** means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

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"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

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"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order and the Plan's implementation; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

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"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount;
- (b) *second*, to each Affected Creditor for the remainder of its Proven Claim (including the interest provided for at Section 5.7 of this Plan); and
- (c) *third*, to BLA, as the sole shareholder of the Plan Debtor.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Proven Claims will bear interest at the rate of 5% per annum for the period commencing on the Determination Date and ending on the relevant Distribution Date (until repaid in full).

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (s) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (t) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (u) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (v) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (w) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (x) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

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9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca / fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca / meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 29th day of November 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Amended Plan of Compromise of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated November 29, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule D – Plan of California Compression, LLC

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

FORMERXBC INC. (formerly **XEBEC ADSORPTION
INC.**)

-and-

11941666 CANADA INC. (formerly **XEBEC RNG
HOLDINGS INC.**)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly **COMPRESSED
AIR INTERNATIONAL INC.**)

-and-

FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly **THE TITUS COMPANY**)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF CALIFORNIA COMPRESSION, LLC

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, California Compression, LLC (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"**ACS**" means Applied Compression Systems Ltd.;

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order;

"**Administration Claim**" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"**Administrative Reserve**" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"**Administrative Reserve Account**" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"**Administrative Reserve Costs**" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"**Affected Claim**" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed,

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contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, the Plan Debtor, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder; **"Effective Time"** means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

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"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

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"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

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"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the

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Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to

Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (y) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (z) Notwithstanding any provisions of the Plan; and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (aa) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a **"Withholding Obligation"**) to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (bb) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (cc) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (dd) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of California Compression, LLC pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of California Compression, LLC (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of California Compression, LLC and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule E – Plan of CDA Systems, LLC

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
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APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
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-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF CDA SYSTEMS, LLC

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, CDA Systems, LLC (the "**Plan Debtor**") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed,

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contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, the Plan Debtor, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and the plans of compromise of CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "Charitable Threshold"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (ee) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (ff) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (gg) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (hh) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (ii) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (jj) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca / fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca / meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of CDA Systems, LLC pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of CDA Systems, LLC (the "Plan Debtor"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of CDA Systems, LLC and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule F – Plan of FormerXBC NOR Corporation (formerly Nortekbelair Corporation)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC NOR CORPORATION (FORMERLY
NORTEKBELAIR CORPORATION)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC NOR Corporation (formerly Nortekbelair Corporation) (the "Plan Debtor") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"**ACS**" means Applied Compression Systems Ltd.;

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order;

"**Administration Claim**" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"**Administrative Reserve**" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"**Administrative Reserve Account**" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"**Administrative Reserve Costs**" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"**Affected Claim**" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued

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thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, the Plan Debtor, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CDA, CAL, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of the CAL, the Plan Debtor, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Petitioners" has the meaning ascribed thereto in the recitals;

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"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "Charitable Threshold"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the

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Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to

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Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (kk) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (ll) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (mm) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (nn) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (oo) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (pp) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

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9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule G – Plan of FormerXBC Pennsylvania Company (formerly The Titus Company)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC PENNSYLVANIA COMPANY
(FORMERLY THE TITUS COMPANY)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Pennsylvania Company (formerly The Titus Company) (the "Plan Debtor") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued

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thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

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"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (a) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "**Charitable Threshold**"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

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5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (b) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (d) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (e) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "Plan Implementation Conditions") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

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9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jinadon@deloitte.ca / jmortreux@deloitte.ca / fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca / meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Pennsylvania Company (formerly The Titus Company) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of FormerXBC Pennsylvania Company (formerly The Titus Company) (the "Plan Debtor"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Pennsylvania Company (formerly The Titus Company) and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule H – Plan of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC ADSORPTION USA INC. (FORMERLY
XEBEC ADSORPTION USA INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) (the "Plan Debtor") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued

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thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

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"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

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"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.).

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1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise or arrangement of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting; pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "Charitable Threshold"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "Distribution Proceeds") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "Distribution"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

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5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (ww) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (xx) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (yy) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "Withholding Obligation") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (zz) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (aaa) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (bbb) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "Plan Implementation Conditions") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "Certificate of Implementation"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "Certificate of Non-Implementation"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "Articles of Dissolution") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

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9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jinadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XÉBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) (the "Plan Debtor"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

**Deloitte Restructuring Inc., in its capacity
as the Court-appointed Monitor of
FormerXBC Adsorption USA Inc. (formerly
Xebec Adsorption USA Inc.) and not in its
personal or corporate capacity.**

Per:

Name:

Title:

Schedule I – Plan of FormerXBC Flow Services –Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:

FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)

-and-

11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)

-and-

FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)

-and-

FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC FLOW SERVICES – WISCONSIN INC.
(FORMERLY XBC FLOW SERVICES – WISCONSIN INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “Plan Debtor”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

“**ACS**” means Applied Compression Systems Ltd.;

“**Administration Charge**” has the meaning ascribed to such term in the Initial Order;

“**Administration Claim**” means a claim or any other indebtedness or obligation secured by the Administration Charge;

“**Administrative Reserve**” means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

“**Administrative Reserve Account**” means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

“**Administrative Reserve Costs**” means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor’s fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor’s Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC’s financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

“**Affected Claim**” means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued

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thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, the Plan Debtor and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CAL, CDA, NOR, UEC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and the Plan Debtor, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAL, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

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"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental; payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

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"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

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1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "Charitable Threshold"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "Distribution Proceeds") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

To the extent that the Distribution Proceeds are insufficient to make the distribution referred to in paragraph 5.3(a) of this Plan in whole, the Distribution Proceeds shall be increased to be sufficient to make such distribution by a portion of the BLA Shortfall Repayment and/or dividends received pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "Distribution"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected

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Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline.

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No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (ccc) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (ddd) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (eee) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "Withholding Obligation") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (fff) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (ggg) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.

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(hhh) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or

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hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "Plan Implementation Conditions") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which

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Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;

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- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan

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Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court

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or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor,

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acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville

Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: inadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

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or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or

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termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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FORMERXBC FLOW SERVICES – WISCONSIN INC. (formerly **XBC FLOW SERVICES – WISCONSIN INC.**)

-and-

CALIFORNIA COMPRESSION, LLC

-and-

FORMERXBC SYSTEMS USA, LLC (formerly **XEBEC SYSTEMS USA, LLC**)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 6, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the "Plan Debtor"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule J – Plan of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC HOLDING USA INC. (FORMERLY
XEBEC HOLDING USA INC.)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief dated July 14, 2023. The Allocation Order *inter alia* approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) (the "Plan Debtor") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"ACS" means Applied Compression Systems Ltd.;

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Administrative Reserve" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"Administrative Reserve Account" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"Administrative Reserve Costs" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"Affected Claim" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order;

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof.

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued

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thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, UEC, XBC and the Plan Debtor pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and the plans of compromise of CDA, CAL, NOR, UEC and XBC. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons, disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

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"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"UEC" means FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC);

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"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

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1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein", and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "Charitable Threshold"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a pro rata basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "**Distribution Proceeds**") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds;
- (b) the BLA Shortfall Repayment; and
- (c) the dividends the Plan Debtor receives pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

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5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

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5.10 Tax Matters

- (iii) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (jjj) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (kkk) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (lll) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (mmm) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (nnn) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "Released Parties"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "Plan Implementation Conditions") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

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9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requéranes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) (the "Plan Debtor"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

Schedule K – Plan of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC SYSTEMS USA, LLC (FORMERLY
XEBEC SYSTEMS USA, LLC)**

OCTOBER 26, 2023

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PLAN OF COMPROMISE

WHEREAS:

1. On September 29, 2023, 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., California Compression, LLC, 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 Systems USA, LLC (formerly Xebec Systems USA, LLC) and FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Petitioners**”) obtained an Initial Order (which was further amended, restated or varied from time to time, the “**Initial Order**”) of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the “**Court**”), commencing proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (Canada), as amended (the “**CCAA**”) and appointing Deloitte Restructuring Inc. as monitor (the “**Monitor**”);
2. On September 29, 2023, FormerXBC Inc. (formerly Xebec Adsorption Inc.), as Foreign Representative, commenced recognition proceedings on behalf of the Petitioners pursuant to Chapter 15, Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”) and on October 27, 2022, the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”) granted an Order giving full force and effect to the Initial Order in the United States of America and recognizing the CCAA Proceedings in the United States of America as foreign main proceeding;
3. On June 29, 2023, the Court rendered the Order to Approve a Proposed Allocation Plan (the “**Allocation Order**”) which was recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing CCAA Order Approving Allocation Method; and (II) Granting Related Relief* dated July 14, 2023. The Allocation Order inter alia approved the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by the Monitor, (ii) the intercompany transactions, and (iii) the restructuring costs, secured debt reimbursements and interim financing costs and reimbursements, the whole as set out in the Proposed Allocation Method Report dated June 16, 2023 (the “**Allocated Net Proceeds**” and the “**Allocation Method**”);
4. On October 26, 2023, the Petitioners and Export Development Canada (“**EDC**”) entered into a Plan Support and Settlement Agreement (the “**Plan Support Agreement**”) to which the Monitor intervened and pursuant to which the parties agreed on the terms upon which EDC would support and vote in favour of the plans of compromise to be filed by certain Petitioners (including the Plan, as defined herein), as set out more fully in the Plan Support Agreement;

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5. The Plan Support Agreement allows for the resolution of complex legal issues and the best possible recovery for the Affected Creditors;
6. Accordingly, FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) (the "Plan Debtor") hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise stated or specified, the following words and terms are defined as follows:

"**ACS**" means Applied Compression Systems Ltd.;

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order;

"**Administration Claim**" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"**Administrative Reserve**" means a cash reserve of an amount approved by the Court pursuant to the Sanction Order, which amount shall be deposited by the Monitor into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs. For greater certainty, the Administrative Reserve forms part of the Restructuring Costs to be considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds;

"**Administrative Reserve Account**" means a segregated interest-bearing account established by the Monitor to hold the Administrative Reserve;

"**Administrative Reserve Costs**" means all amounts outstanding on the Plan Implementation Date (or to the extent provided below, arising thereafter), in respect of Excluded Claims (other than any Claim which cannot be compromised under the CCAA), Employee Priority Claims, Crown Priority Claims and Post-Filing Claims, together with the Monitor's fees and disbursements (including that of its Canadian and U.S. legal counsel and other advisors), the fees and disbursements of the Plan Debtor's Canadian and U.S. legal counsel, the reasonable fees and disbursements of EDC's financial advisor and legal advisor for the period from May 8, 2023, to the date of the implementation of the Plans, in connection with the implementation of the Plan and the completion of the CCAA Proceedings and the U.S. Case (in each case, whether incurred before and after the Plan Implementation Date) as well as amounts related to, incurred or payable in connection with any dissolution or bankruptcy of the Plan Debtor including retainers to any proposed trustee in bankruptcy, and any other reasonable amounts in respect of any other contingency as the Monitor may determine in its sole discretion;

"**Affected Claim**" means any Claim other than an Unaffected Claim, and including for greater certainty, the EDC Deficiency Claim;

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"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"AIR" means Enerphase Industrial Solutions, Inc.;

"Allocated Net Proceeds" has the meaning ascribed thereto in the recitals;

"Allocation Method" has the meaning ascribed thereto in the recitals;

"Allocation Order" has the meaning ascribed thereto in the recitals;

"Applicable Law" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada, in the United States of America or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (Canada);

"BLA" means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

"BLA Shortfall Repayment" means the deemed repayment by each of the applicable Petitioners of the BLA shortfall determined pursuant to subparagraph 51(c)(f) of the Allocation Order.

"Business Day" means a day, other than a Saturday, a Sunday, or another day on which courts do not sit pursuant to article 82 of the *Code of Civil Procedure*, CQLR c C-25.01 (Québec), as amended;

"CAI" means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

"CAL" means California Compression, LLC;

"CCAA" has the meaning ascribed thereto in the recitals;

"CCAA Proceedings" means the proceedings in respect of the Petitioners before the Court commenced pursuant to the CCAA in the file number 500-11-061483-224;

"CDA" means CDA Systems, LLC;

"Charitable Threshold" has the meaning ascribed thereto in Section 4.1 hereof;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Claim" means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued

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thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Determination Date, or which would have been claims provable in bankruptcy had the Plan Debtor become bankrupt on the Determination Date (including for greater certainty any Tax Obligations and Equity Claims), and shall include, without limitation, any Convenience Claims, any Restructuring Claims, any Intercompany Claims, and any D&O Claims, and all "claims" as such term is defined under section 101(5) of the *U.S. Bankruptcy Code*, and "Claims" means all of them, provided, however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" means, as set forth in the Claims Procedure Order, 5:00 p.m. (Montréal time) on July 24, 2023;

"Claims Procedure Order" means the Order rendered by the Court on May 24, 2023, establishing the process for the filing and adjudication of Claims and establishing the Claims Bar Date (as may be further amended, restated or varied from time to time);

"Convenience Amount" means the amount of \$2000;

"Convenience Creditor" means an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. For greater certainty, "Creditor" shall not include a Person in respect of its Unaffected Claim;

"Creditors' Meeting" means the virtual meeting of Affected Creditors to be convened for the purposes of considering and voting on the Plan, as well as any adjournment, postponement or continuation of such meeting, as contemplated by the Meeting Order;

"Crown Priority Claims" means any Claims of His Majesty the King in right of Canada or of a province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of His Majesty the King in right of Canada or in right of any Province other than as described in Section 6(3) or Section 38(2) of the CCAA shall be an Affected Claim hereunder;

"Determination Date" means September 29, 2022;

"Directors", or each individually, a **"Director"** means anyone who is or was or may be deemed to be or to have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Plan Debtor, in such capacity;

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"Disputed Claim" means a claim which is disputed pursuant to the receipt by a Creditor of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order and Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve" means the cash reserve to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution Date" means the date or dates from time to time set in accordance with the provisions of the Plan at the sole and absolute discretion of the Monitor to effect distributions in respect of the Proven Claims of the Affected Creditors;

"Distribution Proceeds" has the meaning ascribed thereto at Section 5.2 hereof;

"D&O Claim" means any right or claim as defined in paragraph 11.03(1) of the CCAA as well as any right or claim of any Person against the Directors and Officers of the Petitioners of any nature whatsoever, present, future, whether or not asserted, due or accruing due to such Person and any interest or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, and the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligations is based in whole or in part on facts existing as at the Determination Date, and shall include any Claim arising through subrogation against the Plan Debtor or any Director or Officer;

"D&O Charge" has the meaning ascribed to such term in the Initial Order;

"EDC" has the meaning ascribed thereto in the recitals;

"EDC Claim" means, collectively, the claims in the amount of \$16,910,325 (converted from USD as of the Determination Date) against BLA, CAL, CDA, NOR, the Plan Debtor, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

"EDC Deficiency Claim" means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CAL, CDA, NOR, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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"EDC Secured Claim" means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of CAL, NOR, the Plan Debtor and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAL, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

"Effective Time" means 12:01 a.m. (Montréal time) on the Plan Implementation Date or such other time on such date as the Plan Debtor and the Monitor shall determine or as otherwise ordered by the Court;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Plan Debtor whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Plan Debtor:

- (a) Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Debtor had become bankrupt on the Determination Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees after the Determination Date and on or before the Plan Implementation Date together with, in the case of any travelling salespersons; disbursements properly incurred by them in and about the business during the same period;

"Equity Claim" shall have the meaning ascribed thereto in Section 2 of the CCAA;

"Excluded Claim" means:

- (i) any Claim or other indebtedness or obligation secured by the Administration Charge and the D&O Charge;
- (ii) any Claim in respect of the Administrative Reserve Costs; and
- (iii) any Claim which cannot be compromised under the CCAA.

"Final Order" means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to

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pending appeal or application for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Foreign Representative" means BLA, in its capacity as foreign representative of the Petitioners in the U.S. Case;

"GNR" means 11941666 Canada Inc. (formerly Xebec RNG Holdings Inc.);

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Intercompany Claims" means the Proven Claim of any Xebec Group Member against any other Xebec Group Member;

"ITA" means the Income Tax Act, RSC 1985, c 1 (5th Supp) (Canada);

"Meeting Order" means the Order to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Plan Support Agreement, as same may be amended, restated or varied from time to time;

"Monitor" means Deloitte Restructuring Inc., in its capacity as Court-appointed monitor of the Plan Debtor and not in its personal or corporate capacity;

"Monitor's Website" means <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>;

"NOR" means FormerXBC NOR Corporation (formerly Nortekbelair Corporation);

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" or each individually, an **"Officer"** means anyone who is or was or may be deemed to be or have been whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Plan Debtor, in such capacity;

"Order" means any order of the Court in the CCAA Proceedings;

"Person" means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, governmental body or agency, or any other entity;

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"Petitioners" has the meaning ascribed thereto in the recitals;

"Plan" means the present plan of compromise of the Plan Debtor pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Plan Debtor from time to time in accordance with its terms;

"Plan Debtor" has the meaning ascribed thereto in the recitals;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have been fulfilled or waived, as evidenced by the Certificate of Implementation, to be filed by the Monitor with the Court;

"Plan Support Agreement" has the meaning ascribed thereto in the recitals;

"Post-Filing Claim" means any debt, liability or obligation that was incurred by the Plan Debtor (a) in respect of goods or services provided to the Plan Debtor after the Determination Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders rendered by the Court; provided that, for certainty, such amounts are not a Restructuring Claim;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means the amount of a Claim which has been finally determined for voting and distribution purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan;

"Released Parties" as defined in Section 6.2 hereof;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Plan Debtor in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Plan Debtor's disclaimer, rescission, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Restructuring Claim Bar Date" has the meaning ascribed thereto in the Claims Procedure Order;

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"Sanction Date" means the date on which both the Sanction Order and the U.S. Recognition Order have been issued and have become Final Orders;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Plan Debtor, acting reasonably;

"Secured Claim" means (i) the EDC Secured Claim; or (ii) any Claim of a Secured Creditor, but only to the extent of the value of such Secured Creditor's security as agreed upon between the relevant Secured Creditor, the Plan Debtor and the Monitor, or in the absence of such an agreement, as determined by the Court, the whole in accordance with the Claims Procedure Order;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor has filed a Proof of Claim prior to the Claims Bar Date or the Restructuring Claims Bar Date, as applicable;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employment insurance, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"Taxing Authorities" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, including any U.S. Taxing Authority, and **"Taxing Authority"** means any one of the Taxing Authorities;

"Tax Obligation" means any amount of Tax owing by a Person to a Taxing Authority;

"TIT" means FormerXBC Pennsylvania Company (formerly The Titus Company);

"Unaffected Claim" means:

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- (a) any Employee Priority Claims;
- (b) any Secured Claims including for greater certainty the EDC Secured Claim;
- (c) any Excluded Claims;
- (d) any Post-Filing Claims; and
- (e) any Crown Priority Claims.

"Unaffected Creditors" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"Undelivered Distribution" has the meaning set forth in Section 5.9 hereof;

"Undelivered Distribution Notification" has the meaning set forth in Section 5.9 hereof;

"U.S. Bankruptcy Code" has the meaning ascribed thereto in the recitals;

"U.S. Case" means the voluntary case under Chapter 15 of the *U.S. Bankruptcy Code*, captioned *re FormerXBC Holding USA Inc. (f/k/a Xebec Holding USA Inc.), et al.*, pending in the U.S. Court under Case No. 22-10934 (KBO);

"U.S. Cash on Determination Date" means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

"U.S. Court" has the meaning ascribed thereto in the recitals;

"U.S. Recognition Order" means an order of the U.S. Court recognizing and enforcing the Sanction Order, in form and content which is satisfactory to the Petitioners;

"U.S. Taxing Authority" means the United States of America or any state, other jurisdiction or taxing authority in the United States of America;

"Unsecured Creditors' Class" has the meaning set forth in Section 3.2 hereof;

"Voting Claim" shall have the meaning set forth in the Claims Procedure Order;

"XBC" means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

"Xebec Group Members" means any body corporate or limited partnership directly or indirectly owned by FormerXBC Inc. wherever incorporated or formed;

"XHU" means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

"XSU" means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

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1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive; and
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

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1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Distribution Date) on which any action (including any distribution) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any distribution) shall be required to be taken on the next succeeding day which is a Business Day; and
- (b) Unless otherwise specified, time periods within or following which any distribution is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion, the whole in the expectation that the Persons who have a valid economic interest in the Plan Debtor will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Plan Debtor.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Plan Debtor will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Plan Debtor, the Affected Creditors, the Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims. Nothing in the Plan shall affect the Plan Debtor's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting, and shall not receive a distribution under the Plan or otherwise receive anything in respect of their shares. On the Plan Implementation Date, all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.

2.5 Intercompany Claims

For the purpose of any meeting of the creditors of any of the Petitioners other than the Plan Debtor:

- (a) the Plan Debtor hereby assigns its votes attached to the Intercompany Claims to the Affected Creditors as a whole; and
- (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-Francois Nadon of Deloitte Restructuring Inc., in its capacity as Monitor, or such person as he, in his sole discretion, may designate to attend on behalf of and act for the Plan Debtor at such meeting and at any and all adjournments, postponements or other rescheduling of such meeting, to vote the dollar value of the Intercompany Claim in favour of the plan of compromise of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

For the purpose of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

3.3 Claims of Affected Creditors / Convenience Creditors

Affected Creditors with Proven Claims, who are not Convenience Creditors shall:

- (a) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order, the Plan and the CCAA; and

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- (b) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

Affected Creditors with Proven Claims who are Convenience Creditors shall:

- (c) be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting; and
- (d) receive the distributions provided for under the Plan and pursuant to the Sanction Order.

3.4 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid on or after the Plan Implementation Date pursuant to and in accordance with the Plan, the Sanction Order and the CCAA.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full in the normal course of business as and when they become due.
- (c) The Post-Filing Claims will be paid in full in the normal course of its business as and when they become due.
- (d) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full within 6 months immediately following the Sanction Date.
- (e) The EDC Secured Claim will be dealt with in accordance with the Plan Support Agreement.
- (f) The Secured Claims (other than the Administration Claim and the EDC Secured Claim), if any, will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Plan Debtor and the relevant Secured Creditor, or as may be ordered by the Court.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote at the Creditors' Meeting are those specified in the Meeting Order.

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3.6 Voting

For the purposes of considering on and voting on the Plan, each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim. Convenience Creditors shall be deemed to vote in favour of the Plan.

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order and the CCAA. The Monitor, in consultation with the Plan Debtor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Affected Creditors

The Plan Debtor will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth in the Meeting Order. If this Plan is approved by the Required Majority of Affected Creditors, this Plan shall be approved and shall be deemed to have been agreed to, accepted and approved by each of the Affected Creditors, (whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting) and shall be binding upon all Affected Creditors.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised under the Plan shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.10 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 RESERVES

4.1 Administrative Reserve

On or before the Plan Implementation Date, the Monitor shall establish the Administrative Reserve Account and transfer from the funds held in its trust account to the Administrative Reserve Account the amount of cash necessary to establish the Administrative Reserve, as approved by the Court pursuant to the Sanction Order.

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The Monitor shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall pay the Administrative Reserve Costs from the Administrative Reserve Account as same become due from and after Plan Implementation Date. At any time it deems appropriate in the circumstances, the Monitor shall establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less to an amount to be determined by the Monitor and approved by the Court pursuant to the Sanction Order (the "Charitable Threshold"), to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance in the Administrative Reserve Account is greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

4.2 Disputed Claims Reserve

Prior to any distribution to the Affected Creditors as provided for hereunder, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, establish the portion to be distributed to EDC based on the pro-rata of the total recoveries received by EDC pursuant to all of the plans of arrangement of the Petitioners and the Plan Support Agreement relative to the Allocated Net Proceeds of all Petitioners, with the consent of EDC or as determined by the Court, which shall be distributed to EDC, and shall donate any remaining balance equal or less than the Charitable Threshold to Centraide du Grand Montréal and Welcome Collective equally. To the extent that the remaining balance is equal or greater than the Charitable Threshold, the Monitor shall distribute same to the Affected Creditors with Proven Claims, on a *pro rata* basis, at the time and in the manner deemed reasonable by the Monitor.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 General

All distributions to be effected pursuant to the Plan shall be made by the Monitor (i) at the address set forth on the Proof of Claim filed by the Affected Creditors or (ii) at the address set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim. The Monitor shall have the right to retain and employ such agents, advisors and other assistants as are necessary for the purpose of managing and/or effecting the distributions under this Plan, including, without limitation, one or more entities related to or affiliated with the Monitor.

Notwithstanding any other provision of the Plan, no distributions shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim.

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Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

5.2 Distribution Proceeds

The Monitor shall distribute the following amounts (the "Distribution Proceeds") to the Affected Creditors pursuant to this Plan:

- (a) the Allocated Net Proceeds, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

The Distribution Proceeds will be distributed by the Monitor as follows:

- (a) *first*, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount, in full and final satisfaction of its Affected Claim, and to each Affected Creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount; and
- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "Distribution"). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the

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Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.6 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Plan Debtor shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

5.7 Interest and Expenses

Interest shall not accrue or be paid on Affected Claims after the Determination Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Determination Date. All interest accruing or fees and expenses incurred in respect of any Affected Claim on or after the Determination Date shall be deemed to be forever extinguished and released.

5.8 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Plan Debtor and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Plan Debtor.

5.9 Treatment of Undelivered Distributions

If any Affected Creditor's distribution in respect of its Affected Claim is returned as undeliverable or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Plan Debtor or the Monitor are notified in writing by such Creditor of its current address or wire particulars ("**Undelivered Distribution Notification**") and such Undelivered Distribution Notification is provided to the Plan Debtor or the Monitor prior to the Undelivered Distribution Notification Deadline. No interest is payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made before the date that is four (4) months following the date of issuance of the Certificate of Implementation, and as at such date, the claim of such Creditor with respect to the Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time the cash amount held by the Monitor in relation to such Undelivered Distribution shall be distributed to

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Centraide du Grand Montréal and Welcome Collective equally. Nothing contained in the Plan or the Sanction Order shall require the Plan Debtor or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder.

5.10 Tax Matters

- (ooo) Any terms and conditions of any Affected Claims which purport to deal with the ordering or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.
- (ppp) Notwithstanding any provisions of the Plan, and except as otherwise provided in this Section 5.10, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.
- (qqq) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. No distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and the Plan Debtor such documentation prescribed by Applicable Law or otherwise reasonably required by the Plan Debtor as will enable the Plan Debtor to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.
- (rrr) All distributions made by the Monitor pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.
- (sss) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.
- (ttt) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

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ARTICLE 6 RELEASES

6.1 Release of the Plan Debtor

On the Plan Implementation Date, the Plan Debtor shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, the business and affairs of the Plan Debtor, the Plan, the CCAA Proceedings and the U.S. Case, or any Affected Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Debtor's obligations under the Plan and the Sanction Order), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Petitioners from and in respect of (i) any Unaffected Claim, (ii) any Claim which may not be released pursuant to the provisions of the CCAA and (iii) any Claim listed in subsection 19(2) of the CCAA to the extent that such Claim is held by a Creditor who has not voted, and who is not deemed to have voted, in favour of the Plan.

6.2 Release of Other Persons

On the Plan Implementation Date, (i) the Directors, Officers and the Plan Debtor's Employees, (ii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to these CCAA Proceedings and the U.S. Case, (iii) the Foreign Representative in relation to the U.S. Case, (iv) the Foreign Representative's legal counsel and agents in relation to the U.S. Case (v) the Monitor and the Monitor's legal counsel in relation to these CCAA Proceedings and the U.S. Case and (vi) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, Employee, consultant and agent of any of the foregoing Persons (collectively with the Plan Debtor, the "**Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert (including any and all Claims in respect of statutory liabilities and any D&O Claims of all Directors, Officers and Employees of the Petitioners and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Petitioners, the Plan, the carrying out of the Claims Procedure Order, the CCAA

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Proceedings and the U.S. Case, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge the Directors with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approve the Plan, the Plan Debtor intends to apply for the Sanction Order on or about December 15, 2023, or such later date as may be determined by the Plan Debtor, in consultation with the Monitor (subject to the Court's availability), or at such other date as the Court may determine.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "Plan Implementation Conditions") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;
- (b) the Sanction Order shall have been granted by the Court by December 31, 2023, and shall have become a Final Order;
- (c) the U.S. Recognition Order shall have been granted by the U.S. Court by February 9, 2024, and shall have become a Final Order; and
- (d) The plans of compromise filed by any of the Petitioners other than the Plan Debtor shall have been approved by the creditors of each such Petitioner and shall each have been approved pursuant to an Order of the Court which Order shall have been recognized by the U.S. Court, in each case as provided for in such Petitioner's plan of compromise.

Upon satisfaction of the foregoing Plan Implementation Conditions, the Plan Debtor shall provide to the Monitor written notice confirming same.

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7.3 Certificate of Implementation

Upon receipt by the Monitor of written notice from the Plan Debtor of the fulfillment of all of the Plan Implementation Conditions as set out above, the Monitor shall issue and file with the Court a certificate to such effect, substantially in the form appended as **Schedule A** hereto, (the "**Certificate of Implementation**"), and shall post a copy of same on the Monitor's Website.

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). For greater certainty, upon the issuance of such Certificate of Non-Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Plan Debtor and neither the Plan Debtor, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS

8.1 Articles of Dissolution

Upon filing of the Certificate of Implementation with the Court, the Monitor shall be authorized, but not required, to proceed with the voluntary liquidation or dissolution of the Plan Debtor, which may include preparing and filing articles of dissolution with this Court (the "**Articles of Dissolution**") and obtaining a certificate of dissolution from the Director appointed under the *Canada Business Corporations Act*, RSC, 1985, c C-44 (Canada).

8.2 Directors

Upon filing of the Articles of Dissolution, any remaining Directors shall be deemed to have resigned.

ARTICLE 9 GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Plan Debtor, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to the Plan

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and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;
- (e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Plan Debtor and to the Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and
- (f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Plan Debtor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of any vote under the Plan, Claims shall be denominated in Canadian dollars. For the purposes of any vote under the Plan, any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Determination Date. The Monitor may proceed to Distributions under the Plan in Canadian or US dollars, at its sole discretion.

9.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Plan Debtor, lease or other agreement, undertaking or any other source of obligations, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Debtor as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

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9.5 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Plan Debtor then existing or previously committed by the Plan Debtor, or caused by the Plan Debtor, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Plan Debtor arising from the Plan Debtor's insolvency, the filing by the Plan Debtor under the CCAA, the filing by the Plan Debtor of the U.S. Case or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing shall be deemed to excuse the Plan Debtor from performing its obligations under the Plan, or be a waiver of defaults by the Plan Debtor under the Plan.

From and after the Plan Implementation Date, all Persons (including Unaffected Creditors) shall be deemed to have consented to all the provisions of this Plan considered in its entirety.

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not

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require any further vote by or approval by the Affected Creditors or any approval by the Court.

9.7 Deeming Provisions

In the Plan, any deeming provisions are not rebuttable and are conclusive and irrevocable.

9.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal, state and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Plan Debtor, whether before or after the Determination Date, including to any and all of the payments, distributions, and transactions contemplated by and to be implemented pursuant to the Plan.

9.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Debtor and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Plan Debtor under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

9.10 Limitations of Liability

The Monitor, its legal counsel, and the Plan Debtor's legal counsel and the Foreign Representative's legal counsel shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the U.S. Case, the Claims Procedure Order, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

9.11 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Plan Debtor, acting reasonably, and the Person, in writing, or unless its Claims overlap or are otherwise duplicative.

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9.12 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Plan Debtor:

Attention: Jim Vounassis
Email: JVounassis@xebecinc.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov / Sophie Courville
Email: sabitan@osler.com / jmorissette@osler.com /
ikravtsov@osler.com / scourville@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Deloitte Restructuring Inc.
La Tour Deloitte
1190 Av. des Canadiens-de-Montréal
Suite 500
Montréal, QC H3B 0M7

Attention: Jean-François Nadon / Julie Mortreux / Frédéric Turbide
Email: jnadon@deloitte.ca / jmortreux@deloitte.ca /
fturbide@deloitte.ca

with a copy to:

McCarthy Tétrault LLP
1000 MZ400
Montréal, QC, H3B 0A2

Attention: Jocelyn T. Perreault / Gabriel Faure / Marc-Étienne Boucher
Email: jperreault@mccarthy.ca / gfaure@mccarthy.ca /
meboucher@mccarthy.ca

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,

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or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. (Montréal time) on such day; otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

Any notices or communication to be made or given hereunder by the Monitor or the Plan Debtor to a Creditor may be sent by e-mail, ordinary mail, registered mail or courier to the e-mail address or address specified by such Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier or e-mail.

9.13 Severability

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Debtor which request shall be made in consultation with the Monitor, shall have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Plan Debtor with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted.

Notwithstanding any such severing, holding, alteration or interpretation, and provided the Plan Debtor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation.

9.14 Revocation, Withdrawal or Non-Consummation

The Plan Debtor, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the date of the Sanction Order and to file subsequent plans of arrangement and compromise. If the Plan Debtor revoke or withdraw the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and

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- (c) nothing contained in the Plan, and no act taken in preparation for consummation of the Plan, shall:
- (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Plan Debtor or any other Person;
 - (ii) prejudice in any manner the rights of the Plan Debtor or any Person in any further proceedings involving the Plan Debtor; or
 - (iii) constitute an admission of any sort by the Plan Debtor or any other Person.

9.15 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

9.16 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Québec and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

9.17 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of the Plan Debtor, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

9.18 Choice of Language

The Plan Debtor acknowledges having required that the Plan and all related documents be prepared in English. *Les Requérantes reconnaissent avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 26th day of October 2023.

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT
(Commercial Division)**

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, RSC 1985,
c. C-36)

No.: 500-11-061483-224

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

**FORMERXBC INC. (formerly XEBEC ADSORPTION
INC.)**

-and-

**11941666 CANADA INC. (formerly XEBEC RNG
HOLDINGS INC.)**

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

**1224933 ONTARIO INC. (formerly COMPRESSED
AIR INTERNATIONAL INC.)**

-and-

**FORMERXBC HOLDING USA INC. (formerly
XEBEC HOLDING USA INC.)**

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

**FORMERXBC ADSORPTION USA INC. (formerly
XEBEC ADSORPTION USA INC.)**

-and-

**FORMERXBC PENNSYLVANIA COMPANY
(formerly THE TITUS COMPANY)**

-and-

**FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)**

-and-

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**FORMERXBC FLOW SERVICES – WISCONSIN
INC. (formerly XBC FLOW SERVICES –
WISCONSIN INC.)**

-and-

CALIFORNIA COMPRESSION, LLC

-and-

**FORMERXBC SYSTEMS USA, LLC (formerly
XEBEC SYSTEMS USA, LLC)**

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "Plan").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) (the "Plan Debtor"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Montréal, in the Province of Québec, this ●.

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and not in its personal or corporate capacity.

Per:

Name:

Title: