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C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
COURT. No.: 500-11-061483-224

SUPERIOR COURT
Commercial Division

In the matter of the CCAA of :

**FORMERXBC INC. (formerly, XEBEC
ADSORPTION INC.)**
**11941666 CANADA INC. (formerly, XEBEC
RNG HOLDINGS INC.)**
**1224933 ONTARIO INC. (formerly,
COMPRESSED AIR INTERNATIONAL INC.)**
APPLIED COMPRESSION SYSTEMS LTD.
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
- and -
**FORMERXBC SYSTEMS USA, LLC (formerly,
XEBEC SYSTEMS USA, LLC)**

Debtors/Petitioners

- and -

DELOITTE RESTRUCTURING INC.

Monitor

NOTICE TO CREDITORS (English)

Dear Sir/Madam

This notice is sent to you as a creditor named in one of the plans of compromise filed by the Debtors in these proceedings. Enclosed is a package of documents to be consulted in connection with the filing of the plans of compromise and the meeting of creditors scheduled for November 30, 2023. These documents are being sent to you in accordance with the Plan Filing and Meeting Order issued by the Superior Court of Quebec on November 1, 2023 (the Order).

We encourage you to familiarize yourself with all of the documentation, and note that certain documents have a deadline and must be returned to the Monitor by 5:00 p.m. (Montreal time) on November 28, 2023.

The documents provided under paragraph 28 of the Order ("Meeting Materials") include a copy of:

- 1) the Creditor Letter ;
- 2) the Notice of Creditors' Meeting and Sanction Hearing ;
- 3) the Proxy and Voting Form ;
- 4) the Registration Form ;
- 5) the Report of the Monitor on the Plan ;
- 6) the Plan ;
- 7) the Form of Resolution; and
- 8) the Order ;

We also invite you to contact the Monitor at **xebec_ccaa@deloitte.ca** or by telephone at 514-393-6722 or 1-888-393-6722 (toll-free) for any information or questions you may have, and we will be pleased to answer them.

In closing, please note that all procedures, orders, notices and forms related to the present proceedings are available on the Monitor's website at the following address: <https://www.insolvencies.deloitte.ca/Xebec>

MONTREAL, November 14, 2023

DELOITTE RESTRUCTURING INC.

In its capacity as Monitor of the Debtors/Petitioners
under the CCAA

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

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

CANADA
PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC
No. de Cour : 500-11-061483-224

COUR SUPÉRIEURE
Chambre commerciale

Dans l'affaire de la LACC de :

FORMERXBC INC. (anciennement, XEBEC ADSORPTION INC.)

11941666 CANADA INC. (anciennement, XEBEC RNG HOLDINGS INC.)

1224933 ONTARIO INC. (anciennement, COMPRESSED AIR INTERNATIONAL INC.)

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(anciennement, THE TITUS COMPANY)**

**FORMERXBC NOR CORPORATION
(anciennement, NORTEKBELAIR CORPORATION)**

**FORMERXBC FLOW SERVICES –
WISCONSIN INC. (anciennement, XBC
FLOW SERVICES – WISCONSIN INC.)**

CALIFORNIA COMPRESSION, LLC

- and -

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

Débitrices/Requérantes

- and -

RESTRUCTURATION DELOITTE INC.

Contrôleur

AVIS AUX CRÉANCIERS (en français)

Madame, Monsieur,

Cet avis vous est transmis à titre de créancier visé dans l'un des plans de compromis déposé par les Débitrices dans le cadre des présentes procédures. Ci-joint est une trousse de documents à consulter dans le cadre du dépôt des plans de compromis et de l'assemblée des créanciers prévue le 30 novembre 2023. Ces documents vous sont transmis conformément au *Plan Filing and Meeting Order* rendu par la Cour supérieure du Québec le 1^{er} novembre 2023 (l'**Ordonnance**).

Nous vous encourageons à prendre connaissance de l'ensemble de la documentation et vous noterez par ailleurs que certains documents comportent une date d'échéance et doivent être retournés au Contrôleur d'ici au 28 novembre 2023, à 17h00 (heure de Montréal).

Les documents fournis en vertu du paragraphe 28 de l'Ordonnance (« *Meeting Materials* ») incluent notamment une copie de/du :

- 1) la lettre aux créanciers (the « *Creditor Letter* »);
- 2) l'avis de l'assemblée des créanciers et d'une audition en homologation des plans de compromis (the « *Notice of Creditors' Meeting and Sanction Hearing* »);
- 3) formulaire de procuration et de vote (the « *Proxy and Voting Form* »);
- 4) formulaire d'inscription (the « *Registration Form* »);
- 5) rapport du Contrôleur sur le Plan (the « *Report of the Monitor on the Plan* »);
- 6) plan de compromis qui vous est proposé (the « *Plan* »);
- 7) projet de résolution (the « *Form of Resolution* »); et de
- 8) l'Ordonnance (the « *Order* »);

Considérant que les documents faisant partie de cet envoi sont uniquement en langue anglaise, nous avons jugé opportun de vous fournir les précisions ci-haut. Nous vous invitons par ailleurs à communiquer avec le Contrôleur, à l'adresse courriel **xebec_ccaa@deloitte.ca** ou par téléphone au 514-393-6722 ou 1-888-393-6722 (sans frais) pour toute information ou question que vous pourriez avoir en français et nous nous ferons un plaisir d'y répondre.

Notez en terminant que toutes les procédures, ordonnances, avis et formulaire dans le cadre des présentes procédures sont disponibles sur le site web du Contrôleur à l'adresse suivante : <https://www.insolvencies.deloitte.ca/Xebec>

À MONTRÉAL, le 14 novembre 2023

RESTRUCTURATION DELOITTE INC.

En sa qualité de Contrôleur des Débitrices/Requérantes
en vertu de la LACC

FORMERXBC INC. (FORMERLY XEBEC ADSORPTION INC.)

Montréal, November 14, 2023

TO: Creditors of Applied Compression Systems Ltd., 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.), collectively, the “**Plan Debtors**”

Dear Sir/Madam:

Proposed Plans of Compromise of the Plan Debtors

As you are aware, on September 29, 2022, FormerXBC Inc. (formerly Xebec Adsorption Inc.) (the “**Company**”) and certain of its affiliates were granted protection under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) by the Quebec Superior Court (the “**Court**”) and Deloitte Restructuring Inc. was appointed as monitor (the “**Monitor**”) to our CCAA proceedings. The CCAA proceedings were recognized as the “foreign main proceedings” pursuant to Chapter 15 of the U.S. Bankruptcy Code (the “**Chapter 15**”) by the United States Bankruptcy Court, District of Delaware (the “**U.S. Court**”) and the US Court has recognized the orders of the Court from time to time pursuant to the Chapter 15.

Since the beginning of our CCAA proceedings, our objective was to preserve the going concern of our businesses and to maximize recovery for all our stakeholders including our employees, suppliers and customers. Under the supervision of the Court and with the approval of the US Court and the assistance of the Monitor and our advisors as well as the support of our secured creditors, we initiated a comprehensive sale process which led to the implementation of more than 13 Court-approved transactions over the course of the past year resulting in the continued employment of the majority of our employees as well as continued operations for the benefit of customers and suppliers.

Following the transition of our various businesses and assets to their new owners, with the assistance and support of the Monitor, we negotiated the Plan Support Agreement with our remaining secured creditor, Export Development Canada (“**EDC**”), pursuant to which, *inter alia*, EDC will vote in favour of the plans to be filed by the Plan Debtors.

It is as a result of all of the foregoing, each Plan Debtors has developed and filed a Plan of Compromise for the benefit of its Affected Creditors. The Plan of Compromise of the specific Plan Debtor of which you are a creditor is attached hereto (the “**Plan**”).

Capitalized terms used herein not otherwise defined have the meanings ascribed thereto in the Plan.

Under the Plan, Affected Creditors with Proven Claims will receive an initial distribution equal to the lesser of their Proven Claim or CAD \$2,000, with the remainder of the Distribution Proceeds being distributed to the Affected Creditors for the remainder of their Proven Claim on a pro rata basis.

The meeting of creditors to consider and vote on the Plan will be held virtually on November 30, 2023 at 1:00 p.m. (Montreal time), as more fully set forth in the Notice of Creditors' Meeting and Sanction Hearing enclosed herewith. If the creditors approve the Plan at the Creditors' Meeting, we shall present an application to the Court for sanction of the Plan on December 15, 2023 (or at such other time as the Court may determine). If the Sanction Order is granted by the Court and U.S. Recognition Order is granted by the U.S. Court in the U.S. Case, the Monitor shall proceed with the distribution under the Plan as soon as possible thereafter, likely in early 2024.

We urge you to review the Plan and the Monitor's report in connection therewith, which provides relevant and important details in relation to anticipated distributions should the Plan be approved.

We are pleased to present the Plan to our creditors as we firmly believe that the recoveries contemplated thereunder are greater than the recoveries creditors would receive in a bankruptcy and that the distributions to creditors will occur much faster and in a more cost-effective manner than they would in a bankruptcy.

You will also note that the Monitor **recommends that creditors vote in favour of the Plan**. Please note that the deadline to provide your voting proxies to the Monitor is November 28, 2023 at 5 p.m. (Montréal time).

Additional information is available on the Monitor's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>.

We thank you for your continued support and cooperation through our restructuring process and hope that you will vote in favour of the Plan.

Yours very truly,

FormerXBC Inc. (formerly Xebec Adsorption Inc.)



Per: Dimitrios Vounassis - President and Chief Executive Officer

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
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-and-

FORMERXBC HOLDING USA INC. (formerly
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-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

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FORMERXBC ADSORPTION USA INC. (formerly
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-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**)

Debtors / Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

NOTICE OF CREDITORS' MEETING AND SANCTION HEARING

TAKE NOTICE THAT Enerphase Industrial Solutions, Inc. has filed a Plan of compromise (the "**Plan**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**").

TAKE FURTHER NOTICE THAT a general meeting of the creditors for the purpose of considering and approving the Plan **will be held on the 30th day of November 2023, at 1:00 p.m.** (Montréal time) (the "**Creditors' Meeting**"). The Creditors' Meeting will be held by videoconference only.

Capitalized terms used and not otherwise defined in this Notice have the meaning ascribed to them in the Plan and in the Plan Filing and Meeting Order issued by the Superior Court of Québec (Commercial Division) (the "**CCAA Court**") on November 1, 2023 (the "**Meeting Order**").

We ask that **creditors who wish to attend the Creditors' Meeting complete the attached registration form** and return it by email to the following email address: xebec_ccaa@deloitte.ca, no later than 5:00 p.m. (Montréal time) on November 28, 2023.

For creditors, or their representatives who have registered, you will receive a link by email, which will allow you to attend the Creditors' Meeting. Please note that only those who have registered will be able to attend the Creditors' Meeting.

The purpose of the Creditors' Meeting is to:

- a) consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Resolution**") approving the Plan; and
- b) transact such other business as may properly come before the Creditors' Meeting or any adjournment or postponement thereof.

The Creditors' Meeting is being held pursuant to the Meeting Order which establishes the procedures for Deloitte Restructuring Inc. (in such capacity and not in its personal or corporate capacity, the "**Monitor**") to call, hold and conduct the Creditors' Meeting.

The Plan provides for the compromise of the Affected Claims. The quorum for the Creditors' Meeting will be one Affected Creditor holding a Voting Claim (each such creditor, an "**Eligible Voting Creditor**") present in person or by proxy.

In order for the Plan to be approved and binding in accordance with the CCAA, the Resolution must be approved by a majority in number of 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 (the "**Required Majority**").

All Eligible Voting Creditors are entitled to vote on the Plan. The votes cast by Creditors with Voting Claims as determined by the Monitor for voting purposes only in accordance with the Claims Procedure Order will be separately tabulated by the Monitor. Holders of an Unaffected Claim will not be entitled to attend and vote at the Creditors' Meeting.

Forms and Proxies for Affected Unsecured Creditors

Any Eligible Voting Creditor may appoint a proxy to vote on its behalf. A form of Proxy is included as part of the Meeting Materials being distributed by the Monitor to each Affected Creditor.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by no later than 5:00 p.m. (Montréal time) on November 28, 2023.

Notice of Sanction Hearing

TAKE FURTHER NOTICE THAT that if the Plan is approved by the Required Majority of Affected Creditors at the Creditors' Meeting, **the Petitioners intend to present** an application for sanction of the Plan by the Court (the "**Sanction Application**") **on December 15, 2023** (the "**Sanction Hearing**"). A copy of the Sanction Application will be available on the Monitor's website. Time and the coordinates of the Sanction Hearing will be posted on the Monitor's website and communicated to the Service List.

The Sanction Application will be seeking the granting of the Sanction Order sanctioning the Plan under the CCAA and for ancillary relief consequent upon such sanction. Any person wishing to oppose the Sanction Application for the Sanction Order must serve upon the parties on the Service List as posted on the Monitor's Website and file with the CCAA Court, a copy of the materials to be used to oppose the Sanction Order by no later than **December 12, 2023 at 5:00 P.M. (Montréal Time)**, or, if applicable, three (3) calendar days prior to any adjourned or rescheduled Sanction Hearing.

This Notice is given by the Petitioners pursuant to the Meeting Order. Additional copies of the Meeting Materials, including the Plan and the Monitor's report thereon may be obtained from the Monitor's Website (<https://www.insolvencies.deloitte.ca/en-ca/Pages/Xebec.aspx>), or by requesting one from the Monitor by email at xebec_ccaa@deloitte.ca.

Dated at Montreal, this 14th day of November, 2023

Deloitte Restructuring Inc.
Court-appointed Monitor

Deloitte Restructuring Inc.
La Tour Deloitte
500 - 1190 Av. des Canadiens-
de-Montréal
Montréal, QC H3B 0M7
E-mail: xebec_ccaa@deloitte.ca

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.**)

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FORMERXBC HOLDING USA INC. (formerly
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-and-

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-and-

CDA SYSTEMS, LLC

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FORMERXBC ADSORPTION USA INC. (formerly
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-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**)

Debtors / Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PROXY AND VOTING FORM (THE “PROXY”) – CREDITORS’ MEETING OF ENERPHASE INDUSTRIAL SOLUTIONS, INC.

Before completing this Proxy, please read the accompanying instructions carefully for the proper completion and return of the form.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise of Enerphase Industrial Solutions, Inc. dated October 26, 2023 (as may be further amended, supplemented and/or restated from time to time, the “**Plan**”) accepted for filing pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) with the Quebec Superior Court (the “**CCAA Court**”) on November 1, 2023.

In accordance with the Plan, Proxies may only be filed by Affected Creditors having a Voting Claim (each an “**Eligible Voting Creditors**” and collectively, the “**Eligible Voting Creditors**”).

PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY NO LATER THAN 5:00 P.M. (MONTREAL TIME) ON NOVEMBER 28, 2023 (THE “PROXY DEADLINE”).

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given, if any, and nominates, constitutes, and appoints Mr. Jean-François Nadon, of Deloitte Restructuring Inc., in its capacity as Monitor, or such Person as he, in his sole discretion, may designate or, instead of the foregoing, appoints:

Print name of proxy holder if wishing to appoint someone other than Mr. Jean-François Nadon

to attend on behalf of and act for the Eligible Voting Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of the Creditors' Meeting, and to vote the dollar value of the Voting Claim as determined by and accepted for voting purposes in accordance with the Meeting Order and as set out in the Plan as follows:

A. (mark one only):

Vote **FOR** approval of the resolution to accept the Plan; or

Vote **AGAINST** approval of the resolution to accept the Plan.

If a box is not marked as a vote for or against approval of the Plan and Mr. Jean-François Nadon or his designate is appointed as proxy holder, this Proxy shall be voted for approval of the Plan.

- and -

B. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments or variations to the matters identified in the Notice of Creditors' Meeting and Sanction Hearing, and in the Plan, and with respect to other matters that may properly presented at the Creditors' Meeting.

DATED AT _____, this _____ day of _____ 2023.

(Name of Eligible Voting Creditor)

Signature of authorized person
(indicate title or function, if any)

Signature of witness

(Please print name)

(Please print name)

INSTRUCTIONS FOR COMPLETION OF PROXY

1. This Proxy should be read in conjunction with the Plan of Compromise of Enerphase Industrial Solutions, Inc. dated October 26, 2023 (as may be further amended, supplemented and/or restated from time to time, the “**Plan**”) accepted for filing pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) with the Quebec Superior Court (the “**CCAA Court**”) on November 1, 2023 and the Meeting Order. Capitalized terms used herein not otherwise defined shall have the meanings ascribed to them in the Plan.
2. Each Eligible Voting Creditor has the right to appoint a person (who need not be a Creditor) (a “**Proxy holder**”) to attend, act and vote for and on behalf of such Eligible Voting Creditor and such right may be exercised by inserting the name of the Proxy holder in the blank space provided on the Proxy.
3. If no name has been inserted in the space provided to designate the Proxy holder on the Proxy, the Eligible Voting Creditor will be deemed to have appointed Mr. Jean-François Nadon of Deloitte Restructuring Inc., in its capacity as Monitor (or such other Person as he, in his sole discretion, may designate), as the Eligible Voting Creditor’s Proxy holder.
4. An Eligible Voting Creditor who has given a Proxy may revoke it by an instrument in writing executed by such Eligible Voting Creditor or by its attorney, duly authorized in writing or, if an Eligible Voting Creditor is not an individual, by an officer or attorney thereof duly authorized, and deposited with the Monitor in each case before the Proxy Deadline.
5. If this Proxy is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Monitor.
6. A valid Proxy from the same Eligible Voting Creditor bearing or deemed to bear a later date than this Proxy will be deemed to revoke this Proxy. If more than one valid Proxy from the same Eligible Voting Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such Proxies shall not be counted for the purposes of the vote.
7. This Proxy confers discretionary authority upon the Proxy holder with respect to amendments or variations to the matters identified in the Notice of Creditors’ Meeting and in the Plans, and with respect to other matters that may properly come before the Creditors’ Meeting.
8. The Proxy holder shall vote the Eligible Voting Claim of the Eligible Voting Creditor in accordance with the direction of the Eligible Voting Creditor appointing him/her on any ballot that may be called for at the Creditors’ Meeting. **IF AN ELIGIBLE VOTING CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN, AND MR. JEAN-FRANÇOIS NADON OR HIS DESIGNATE IS APPOINTED AS PROXY HOLDER, THIS PROXY WILL BE VOTED FOR THE RESOLUTION TO APPROVE THE PLAN, INCLUDING ANY AMENDMENTS, VARIATIONS OR**

SUPPLEMENTS THERETO. IF AN ELIGIBLE VOTING CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN AND APPOINTS A PROXY HOLDER OTHER THAN MR. JEAN-FRANÇOIS NADON OR HIS DESIGNATE, THE PROXY HOLDER MAY VOTE ON THE RESOLUTION AS HE OR SHE DETERMINES AT THE CREDITORS' MEETING.

9. If the Eligible Voting Creditor is an individual, this Proxy must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor's behalf. If the Eligible Voting Creditor is a corporation, partnership or trust, this proxy must be signed by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust or on behalf of another individual at the Creditors' Meeting, you must have been appointed as a proxy holder by a duly completed proxy submitted to the Monitor by the Proxy Deadline. You may be required to provide documentation evidencing your power and authority to sign this Proxy.
10. **PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF THEY CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY NO LATER THAN 5:00 P.M. (MONTRÉAL TIME) ON NOVEMBER 28, 2023 (THE "PROXY DEADLINE").**

By email: xebec_ccaa@deloitte.ca
11. By mail or courier: DELOITTE RESTRUCTURING INC.
La Tour Deloitte
500-1190 Av. des Canadiens-de-Montréal
Montréal QC H3B 0M7
12. The Petitioners and the Monitor are authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proxy is completed and executed, and may waive strict compliance with such requirements.

**REGISTRATION FORM TO THE CREDITORS' MEETING OF ENERPHASE
INDUSTRIAL SOLUTIONS, INC.**



In the Matter of the Plan 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., 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.)

Name of the creditor : _____

Name of the creditor's representative, if applicable : _____

Email address : _____

Phone Number : _____

Signature : _____

Please note that to attend the Creditors' Meeting, you must send this form to the Monitor, Restructuration Deloitte Inc., by email to the following address: xebec_ccaa@deloitte.ca, no later than 5:00 p.m. (Montréal time) on November 28, 2023.

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

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

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF QUEBEC
COURT. No.: 500-11-061483-224

S U P E R I O R C O U R T
Commercial Division

In the matter of the CCAA of:

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

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

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

APPLIED COMPRESSION SYSTEMS LTD.

**FORMERXBC HOLDING USA INC.
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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

- and -

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

Debtors/Petitioners

- and -

DELOITTE RESTRUCTURING INC.

Monitor

**REPORT ON THE PLAN OF COMPROMISE OF ENERPHASE INDUSTRIAL SOLUTIONS INC.
("AIR", or the "Plan Debtor")
SUBMITTED BY DELOITTE RESTRUCTURING INC. IN ITS CAPACITY AS MONITOR**

I. INTRODUCTION

1. The purpose of this report (the "**Report on the Plan of AIR**") is to provide the Affected Creditors with all relevant and necessary information in connection with the Plan of Compromise filed by the Plan Debtor (the "**Plan**"), the Creditors' Meeting and the Monitor's recommendation that the Affected Creditors vote in favor of the approval of the Plan.
2. Unless otherwise defined, all capitalized terms used herein shall have the meaning given to them in the Plan.
3. Since the beginning of the CCAA Proceedings, on September 29, 2022, the Monitor has prepared detailed reports which are accessible on the Monitor's website at the following address: <https://www.insolvencies.deloitte.ca/Xebec>. The Report on the Plan of AIR should be read in conjunction with the previous reports including in particular the Twelfth Report.
4. Furthermore, an updated chronology of the CCAA Proceedings, similar in format to the chronology provided in previous reports, is attached hereto as **Appendix A**.
5. This Report on the Plan of AIR is prepared in connection with the requirement under Section 23(1)(d.1) CCAA based on information that has been made available to the Monitor.

II. OVERVIEW OF THE PLAN OF COMPROMISE

6. On November 1, 2023, the Court issued the Plan Filing and Meeting Order authorizing the filing of the Plan and the convening of the Creditors' Meeting.
7. The primary purpose of the Plan is to provide for the compromise and settlement of the Affected Claims. The Plan provides for the distribution of the Distribution Proceeds to the Affected Creditors in full and final settlement of the Affected Claims.
8. In its Twelfth Report, the Monitor provides detailed information relating to the general structure of the Plans to be filed by the Plan Debtors to their respective Affected Creditors. Readers are encouraged to review the Twelfth Report which can be found on the Monitor's website.
9. This Report on the Plan of AIR contains only a summary of certain terms of the Plan. In case of any discrepancy, the terms of the Plan shall govern.

A. DESCRIPTION OF THE GENERAL STRUCTURE OF THE PLAN

10. Pursuant to the Plan, the Affected Creditors are Creditors of the Plan Debtor with an Affected Claim, but only with respect to and to the extent of such Affected Claim. Each Plan Debtor's Affected Creditors shall comprise a single class for purposes of considering and voting on such Debtor's Plan.
11. The Affected Claims include all Claims except the Unaffected Claims, being the (i) Employee Priority Claims, (ii) Secured Claims including, for greater certainty, the EDC Secured Claim (as defined in each Plan), (iii) Excluded Claims, (iv) Post-Filing Claims; and the (v) Crown Priority Claims.
12. The Distribution Proceeds are comprised of the Allocated Net Proceeds (as established pursuant to the Allocation Order), to which are added the BLA Shortfall Repayment and the dividends received by the Plan Debtor pursuant to any plan of compromise of the other Petitioners.
13. The Distribution Proceeds are proposed to be distributed to the Affected Creditors with a Proven Claim as follows:

- a) first, to each Convenience Creditor, the lesser of the amount of its Proven Claim or the Convenience Amount (\$2,000), 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 (\$2,000); and
 - b) second, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.
14. In accordance with the CCAA, in order for the Plan to be approved, at least 50% plus one in number, representing at least 2/3 in value of the Voting Claims of Affected Creditors must vote in favor of the Plan.

B. RESERVES PROVIDED UNDER THE PLANS

15. The Plans provide for the constitution of an "Administrative Reserve" to be held by the Monitor, the amount of which shall be approved by the Court pursuant to the Sanction Order, to be sought on December 15, 2023, should the Plans be approved.
16. The costs to be paid out the Administrative Reserve include all amounts outstanding 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 Debtors' 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 respective Debtors 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.
17. As at the date of this Report on the Plan of AIR, the Administrative Reserve is estimated to be between \$2.4M and \$4.1M for all Plans. The Administrative Reserve estimates are calculated using the projected collections and disbursements from the week ending December 16, 2023, up until March 30, 2024. These estimates are dependent notably upon projected collections and disbursements from the week ending November 4, 2023, until the week ending December 9, 2023. The amount of the Administrative Reserve is expected to be established and confirmed as part of the Sanction Order to be sought upon approval of the Plan, at which time the current estimates will have been updated by the Monitor.
18. The Administrative Reserve will be considered in the final determination of the Allocated Net Proceeds, to be calculated in accordance with the Allocation Methodology.
19. The Plans also provide for the constitution of a Disputed Claims Reserve in relation to any remaining Disputed Claims at the time of the distribution to the Affected Creditors, if any.
20. In the event that there is a non-significant amount remaining in the above-noted reserves, the Plans authorize the Monitor to determine the amount that should be distributed to EDC based on the pro rata of the total recoveries received by EDC pursuant to all of the Plans and the EDC Support Agreement (established with the consent of EDC or as determined by the Court), and to donate any remaining balance to the charitable organizations Centraide du Grand Montréal and Welcome Collective equally. This is a fair solution in the context where the costs of a subsequent distribution would not be justified given the amount available to be distributed.

C. PLAN RELEASES AND DISCHARGES

21. The Plan provides for the full and final release and discharge, at the Implementation Date, of (i) the Plan Debtor, as well as (ii) the Directors, Officers and the Plan Debtor's Employees, (iii) the Plan Debtor's legal counsel, financial advisors, consultants and agents in relation to the CCAA Proceedings and 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 the CCAA Proceedings and the U.S. Case, and of (vi) certain other persons forming part of the definition of Released Parties, in respect to any and all claims except, in relation to the Plan Debtor, an (1) Unaffected Claim, (2) any Claim that cannot be released pursuant to the CCAA, or (3) any Claim listed in subsection 19(2) CCAA to the extent that such Claim is held by a Creditor who has not voted in favor of the Plan and who is not deemed to have voted in favor of the Plan.
22. No release shall be provided in respect of matters set out at Section 5.1(2) CCAA.

D. AUTHORIZATION PROVIDED TO THE PETITIONERS BY THE CREDITORS OF A PETITIONER TO VOTE IN THE OTHER PETITIONER PLANS

23. Since the Distribution Proceeds include the dividends received by the Plan Debtor pursuant to the Plans of certain other Petitioners, a key component of the Plan in relation to the intercompany Proven Claims is to provide for (i) the assignment of the votes attached to these claims to the Affected Creditors, and the (ii) nomination and appointment of the Monitor by the Affected Creditors to attend, act and vote on behalf of them in favor of the plan of such other Petitioner, namely the Petitioner in relation to whom an intercompany Proven Claim is asserted.

E. REVIEWABLE TRANSACTIONS

24. The Plan provides that notwithstanding Section 36.1 CCAA, Sections 38 and 95 to 101 of the BIA as well as any other Canadian or foreign legislation 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 all payments, distributions and transactions contemplated by and to be implemented under the Plan.
25. As part of the CCAA Proceedings, the Monitor has performed a review of intercompany transactions and payments and has reported to the Court from time to time regarding same. The Monitor has not identified any transactions or payments that it considers could be successfully challenged under sections 95 to 101 of the BIA, and that would likely allow for a recovery for the unsecured creditors.

F. PLAN IMPLEMENTATION CONDITIONS

26. Pursuant to the Plans, Plan Implementation will occur upon fulfillment of the Plan Implementation Conditions, which include:
 - a) Approval of the Plan by the Required Majority of Affected Creditors at the Creditors' Meeting;
 - b) Issuance of the Sanction Order at the latest by December 31, 2023, which shall become a Final Order;
 - c) Issuance of the U.S. Recognition Order at the latest by February 9, 2024, which shall become a Final Order;
 - d) Approval of the Plans (other than the Plan of the Plan Debtor), as well as sanction

and recognition of same.

27. Upon fulfilment of the Plan Implementation Conditions, the Monitor will issue and file with the Court its Certificate of Implementation.

III. ESTIMATED DISTRIBUTION TO AFFECTED CREDITORS HOLDING A PROVEN CLAIM IN RESPECT OF AIR PURSUANT TO THE PLAN

28. At Appendix D of the Twelfth Report, the Monitor provided the Estimated Distribution Analysis for Creditors of the various entities in respect of which Plans were filed.
29. As also detailed in the Twelfth Report, since the outset of the CCAA Proceedings, the Petitioners, with the assistance of the Monitor, have focused on the objective of preserving the going concern value of their various businesses and maximizing recovery in the context of a comprehensive sale process which ultimately resulted in 13 transactions, under the supervision of the Monitor and of the Court.
30. Following the closing of the transactions and the collection of the net sale proceeds relating thereto, the Monitor prepared and presented to the Court a method of allocation as between the various estates of the net proceeds from these transactions, as well as intercompany transactions, restructuring costs, secured debt reimbursements and interim financing costs, which method was ultimately approved by the Court pursuant to the Allocation Order.
31. Furthermore, the estimated distributions to the Affected Creditors of the Plan Debtors were also dependent on the outcome of discussions and negotiations with EDC, which ultimately resulted in the execution of the EDC Support Agreement, which was approved by the Court pursuant to the Plan Filing and Meeting Order.
32. The application of the Allocation Order and the Allocation Methodology approved by the Court therein results in a specific recovery for Affected Creditors holding a Proven Claim, calculated on an estate-by-estate basis and, accordingly, recoveries vary from estate to estate.
33. In an effort to summarize the relevant information for the Affected Creditors, the Monitor has prepared the following table which shows the estimated ranges of recovery for the Affected Creditors with Proven Claims of AIR, according to information available as at November 13, 2023:

XEBEC ADSORPTION INC. & AI Estimated Recovery for the Unsecured Creditors In CAD	AIR					
	High			Recovery - Low		
	#	Claims \$	Average %	#	Claims \$	Average %
Unsecured Creditors - Estimated recovery						
Unsecured claims less than 2,000	0	-	0.0%	0	-	0.0%
Unsecured claims between 2,000-10,000	4	25,688	90.8%	4	25,688	82.6%
Unsecured claims between 10,000-25,000	2	26,662	88.6%	2	26,662	78.5%
Unsecured claims between 25,000-50,000	0	-	0.0%	0	-	0.0%
Unsecured claims between 50,000-100,000	1	80,708	86.9%	1	80,708	75.3%
Unsecured claims over 100,000	3	420,998	86.8%	3	511,592	75.0%
Unsecured claim EDC	0	-	0.0%	0	-	0.0%
Unsecured claims Interco	3	1,359,577	86.6%	3	1,359,577	74.7%
Total - Unsecured Creditors	13	1,913,632	86.8%	13	2,004,227	75.0%
Funds Available for distribution to Unsecured Creditors		1,660,310			1,502,569	

34. In preparing the table above and the high and low scenarios that are included therein, the Monitor has relied upon various hypotheses and estimates which could impact the scope of recovery. These hypotheses and estimates notably include (i) potential recovery in the context of the settlement or litigation with London RNG, (ii) resolution, negotiation and final determination of certain Claims, (iii) final determination of the quantum of post-filing obligations, (iv) payments to and/or collections from tax authorities, (v) scope of professional fees, (vi) a potential draw on the Enbridge LC, and (vii) the amount of the Administrative Reserve.

35. Future oriented financial information referred to in this Report on the Plan of AIR was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

IV. ESTIMATED DISTRIBUTION TO CREDITORS OF AIR IN A LIQUIDATION OR BANKRUPTCY SCENARIO

36. The Monitor has prepared an analysis to estimate the net realization value of the Petitioners’ assets in the context of a bankruptcy scenario (the “**Liquidation Analysis**”), for the purpose of allowing the Affected Creditors to understand what their projected recovery could be in the event that the Plan is not approved by the Required Majority of the Affected Creditors. The Liquidation Analysis is intended to allow the Affected Creditors to assess the fairness and reasonableness of the Plan.

37. The Liquidation Analysis is provided in the table below:

XEBEC ADSORPTION INC. & AI. Estimated Recovery for the Unsecured Creditors In CAD	AIR		
	Liquidation		
	#	Claims \$	Average %
Unsecured Creditors - Estimated recovery			
Unsecured claims less than 2,000	0	-	0.0%
Unsecured claims between 2,000-10,000	4	25,688	61.3%
Unsecured claims between 10,000-25,000	2	26,662	61.3%
Unsecured claims between 25,000-50,000	0	-	0.0%
Unsecured claims between 50,000-100,000	1	80,708	61.3%
Unsecured claims over 100,000	3	511,592	61.3%
Unsecured claim EDC	0	-	0.0%
Unsecured claims Interco	3	1,359,577	61.3%
Total - Unsecured Creditors	13	2,004,227	61.3%
Funds Available for distribution to Unsecured Creditors		1,229,566	

38. As demonstrated in the Liquidation Analysis, the estimated recovery for unsecured creditors, if any, is likely to be negatively affected in such a context. Distributions to unsecured creditors in this scenario could be **significantly lower** and would also likely be delayed by at least one (1) year if not significantly more.
39. Furthermore, such a scenario could entail, *inter alia*, (i) significant professional fees related to migrating the proceedings into bankruptcy, (ii) trustee and other bankruptcy fees, and (iii) significant costs and delays associated with potential litigation between EDC and the unsecured creditors in certain estates, with an unknown result and impact for the unsecured creditors.
40. The net realization value of the Petitioners’ assets in a bankruptcy or liquidation scenario is based on the Monitor’s current best estimates, and are based on various assumptions that could vary in the future and have a negative impact on the estimated recovery for unsecured creditors. They are also based on the advice of legal advisors and on the Monitor’s experience in similar proceedings, regarding complex and cross-border insolvency proceedings.

V. HOW TO VOTE ON THE PLAN

41. The steps to register a vote are summarized below and further detailed in the materials and in the Plan Filing and Meeting Order provided to you with the Plan.
42. In order to register your vote in advance of the Creditors’ Meeting, you have until **November 28, 2023, at 5 p.m. (EST)** to file a Proxy and Voting Form (included in the Meeting Materials and available online at <https://www.insolvencies.deloitte.ca/Xebec>) and provide same by email to the Monitor at xebec_ccaa@deloitte.ca.

43. If you wish to attend the Creditors' Meeting, with the possibility to vote at this time if not done in advance, you have until **November 28, 2023, at 5 p.m. (EST)** to file a Registration Form (included in the Meeting Materials and available online at <https://www.insolvencies.deloitte.ca/Xebec>) and provide same by email to the Monitor at xebec_ccaa@deloitte.ca. Upon receipt by the Monitor of the Registration Form, you will be provided with the credentials to attend the Creditors' Meeting through a videoconference platform.
44. If the amount of your Proven Claim is equal or inferior to \$2,000 (and thus paid in full pursuant to the terms of the Plan), you are deemed to vote in favor of the Plan and therefore no action is required, unless you wish to nevertheless vote against the Plan.

VI. OUTLINE OF NEXT STEPS AND MILESTONES IN THE CCAA PROCEEDINGS

45. Below you will find the upcoming milestones in the CCAA Proceedings:
- a) Ongoing review of Claims;
 - b) At the latest on November 28, 2023, at 5 p.m. (EST): deadline to file the Registration Form and/or Proxy and Voting Form, as stated above;
 - c) November 30, 2023: Creditors' Meeting;
 - d) On or around December 8, 2023: filing and notification of an application seeking the issuance of sanctions orders in respect of the Plans;
 - e) December 15, 2023: hearing on such application and issuance of the sanction orders;
 - f) January 15, 2024 (or at such other date depending on the availability of the U.S. Court): recognition of the sanction orders by the U.S. Court; and
 - g) Between February 15, 2024, and March 29, 2024: distributions to Affected Creditors with Proven Claims.
46. Readers should remain cautioned that the above outline is subject, *inter alia*, to the ongoing CCAA Proceedings, as well as the availability of the Courts both in Canada and the U.S. The outline is therefore subject to material changes and is solely provided for information purposes and on an indicative basis.

VII. CONCLUSIONS AND RECOMMENDATION

47. The Petitioner firmly believes that the Plan provides for the best possible outcome for the Affected Creditors, including as compared to a bankruptcy or liquidation scenario.
48. The Monitor believes that the Plan will allow the Affected Creditors holding a Proven Claim to receive a greater recovery significantly faster than in the context of a bankruptcy/liquidation scenario and avoids the uncertainties and risks resulting therefrom. Accordingly, the Monitor **recommends** that the Affected Creditors **vote in favor of the resolution to approve the Plan**.
49. The Monitor is of the opinion that the Petitioners have acted, and are acting, in good faith and with diligence. Accordingly, the Monitor is of the view that the Plan is fair and reasonable.

DATED AT MONTREAL, this 14th day of November 2023.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of the
Petitioners



Jean-François Nadon, CPA, CIRP, LIT
President



Julie Mortreux, CPA, CIRP, LIT
Senior Vice President

APPENDIX A – CHRONOLOGY AND CERTAIN RESERVES TO THIS REPORT ON THE PLAN OF AIR

CHRONOLOGY

1. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
2. Unless otherwise stated, the Debtors/Petitioners in the Application (as defined hereafter) are collectively referred to herein as the "**Petitioners**" or the "**Debtors**."
3. The Petitioners and the other material direct or indirect subsidiaries of FormerXBC Inc. ("**BLA**"), which are not currently parties in the CCAA Proceedings (as defined hereafter), are collectively referred to herein as the "**Xebec Group**" or the "**Company**."
4. Capitalized terms not otherwise defined herein are as defined in the previous reports of the Monitor.
5. On September 28, 2022, the Petitioners filed an *Application for the Issuance of a First Day Initial Order, a Deemed Extension of the Stay Period and a Bidding Procedures Order* under the *Companies' Creditors Arrangement Act* ("**CCAA**").
6. On September 29, 2022, Deloitte Restructuring Inc., then in its capacity as Proposed Monitor, issued its First Report to the Court (as part of the Debtors' CCAA proceedings [the "**CCAA Proceedings**"]). The purpose of the First Report was to provide information to the Court with respect of I) the business, financial affairs and financial results of Xebec Group; II) the Petitioners' main creditors; III) the proposed restructuring process; IV) the proposed sale and investment solicitation process; V) charges sought in the proposed "First Day Initial Order"; VI) payments to Critical Suppliers; VII) overview of the Cash Flow Projections as of the date of the First Report; VIII) Deloitte's qualification to act as Monitor; IX) Recognition Proceedings in the U.S.; and X) the Proposed Monitor's conclusions and recommendations.
7. On September 29, 2022, the Court issued the First Day Initial Order and the Bidding Procedures Order which provided for, *inter alia*, (i) a stay of proceedings against the Petitioners until and including October 9, 2022 (the "**Stay Period**"); (ii) a stay of proceedings against the directors and officers; (iii) the appointment of Deloitte Restructuring Inc. as monitor under the CCAA ("**Deloitte**" or the "**Monitor**"); (iv) the authorization to pay Critical Suppliers up to a maximum aggregate amount of \$700K; (v) an Administration Charge of \$250K, a D&O Charge of \$2.2M, a Transaction Charge of \$975K; and (vi) the approval of the SISP along with the bidding procedures for the conduct of same (the "**Bidding Procedures**").
8. On October 4, 2022, the Petitioners notified to the Service List and filed with the Court an *Application for an Extension of the Stay of Proceedings*, seeking an extension of the First Day Initial Order until October 20, 2022.
9. On October 6, 2022, the Monitor issued its Second Report. The purpose of the Second Report was to provide information to the Court on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the Petitioners' demand for the issuance of the Order Extending the Stay of Proceedings. The Monitor provided, *inter alia*, updated information in respect to the SISP, payments to Critical Suppliers, as well as to cash-flow projections.
10. On October 7, 2022, the Court extended the Stay Period and the application of the First Day Initial Order up to and including October 20, 2022.
11. On October 18, 2022, the Petitioners filed an *Application for the Issuance of an Amended and*

Restated Initial Order, seeking, *inter alia*, (i) the issuance of an Amended and Restated Initial Order (the "**ARIO**"); (ii) the extension of the Stay Period until November 28, 2022; (iii) an increase of the Administration Charge from \$250K to \$900K; (iv) an increase of the D&O Charge from \$2.2M to \$3.7M; (v) the approval of a DIP Facility for a total amount of \$3.0M and of a DIP Charge in the amount of \$3.6M; and (vi) the approval of KERPs and of a KERP Charge up to a maximum amount of \$1.08M.

12. On October 18, 2022, the Petitioners notified to the Service List the *Application for the Extension of the Stay of Proceedings to Certain Third Parties*, seeking *inter alia*, an order extending the stay of proceedings to any Person named as a defendant or respondent in the Class Actions (as these terms are defined in the aforementioned application). No presentation date has been scheduled in respect of this application.
13. On October 19, 2022, the Monitor issued its Third Report. The purpose of the Third Report was to provide information to the Court on the activities of Xebec and of the Monitor since the commencement of the CCAA Proceedings and to support the issuance of the ARIO.
14. On October 20, 2022, the secured lenders NBC and EDC put forward a term sheet to provide for a DIP Facility in a total amount of \$3M, on a *pari passu* basis.
15. On October 20, 2022, the Court issued the ARIO, and authorized the DIP Facility from NBC and EDC. On October 24, 2022, the Court issued its reasons in support of the issuance of the ARIO, which also included its reasons in respect of dismissing specific requests and addressing allegations from certain class action petitioners and from Mr. Simon Arnsby, a shareholder of Xebec Inc. ("**Mr. Arnsby**").
16. On November 22, 2022, the Petitioners notified to the Service List and filed with the Court an *Application for an Extension of the Stay of Proceedings and for Ancillary Relief*, seeking, *inter alia* (i) the extension of the Stay Period until February 3, 2023, and (ii) the approval of an amendment to the list of participants to the KERPs.
17. On November 24, 2022, the Monitor issued its Fourth Report. The purpose of the Fourth Report was to provide information to the Court on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the aforementioned Application.
18. On November 28, 2022, the Court issued the *Order Extending the Stay of Proceedings and Granting Ancillary Relief* (the "**Extension Order**"). This Extension Order was namely meant to allow for the substantial completion phase 2 of the SISP, and to allow the Petitioners, *inter alia*, to (i) select the Successful Bid(s), (ii) negotiate Definitive Documentation, and (iii) file the Approval Application in respect of the Successful Bid(s), as contemplated by the Bidding Procedures.
19. On November 29, 2022, the Court issued its reasons in support of the issuance of the extension, as well as its reasons in respect of dismissing Mr. Arnsby's *Urgent Ex Parte Application for Investigation*.
20. On January 28, 2023, the Petitioners filed an *Application for the Issuance of a Second Amended and Restated Initial Order and an Approval and Vesting Order* (as amended by the *Amended Application for the Issuance of a Second Amended and Restated Initial Order and an Approval and Vesting Order* dated February 1, 2023), seeking, *inter alia* (i) the extension of the Stay Period until February 13, 2023, (ii) the increase of the Administration Charge to a maximum amount of \$3M, and (iii) the issuance of an approval and vesting order (the "**ACS AVO**"), in respect of the proposed sale of substantially all of the assets of Applied Compression Systems Ltd. ("**ACS**").
21. On February 1, 2023, the Monitor issued its Fifth Report. The purpose of the Fifth Report was to report on the activities of Xebec and of the Monitor since the beginning of the CCAA Proceedings and to support the issuance of the Second ARIO.

22. The Monitor also provided in the Fifth Report, *inter alia*, updated information in respect to (i) the SISP and certain transactions in connection thereto (Xebec UK/Tiger and ACS), (ii) operations of Petitioners and non-Petitioners and the impact of the results of phase 2 of the SISP on same, (iii) the need for a supplemental interim financing facility and ongoing discussions with EDC in connection thereto, (iv) subsequent exchanges with various stakeholders, and (v) actual cash flows and cash-flow projections until March 18, 2023.
23. On February 3, 2023, the Court issued the Second ARIO and the ACS AVO.
24. On February 8, 2023, the Petitioners served the *Application for the Issuance of a Third Amended and Restated Initial Order and Approval and Vesting Orders*, seeking *inter alia*:
- a) the approval of the Second DIP Facility provided by EDC in the amount of \$2.5M (the "**Second DIP Facility**") and the granting of a "**Second DIP Charge**" in the amount of \$3.0M;
 - b) the issuance of three approval and vesting orders (the "**Sullair AVO**", the "**Ivys AVO**" and the "**FSTQ AVO**") regarding, respectively:
 - i. the proposed sale of substantially all of the assets of CDA Systems, LLC ("**CDA**") and California Compression, LLC ("**CAL**") to Sullair;
 - ii. the proposed sale of substantially all of the assets of Xebec Inc. and Compressed Air International Inc. ("**CAI**") to Ivys Inc. and Ivys Adsorption, Inc., as purchasers (the "**Ivys Transaction**"); and
 - iii. the sale of Xebec Inc.'s limited partnership interests in the capital of GNR Québec Capital L.P. and the shares of RNG Holdings in the capital of GNR Québec Capital Management Inc.; and
 - c) the extension of the Stay Period up and until March 17, 2023.
25. On February 10, 2023, the Monitor issued its Sixth Report. The purpose of the Sixth Report was to report on the activities of Xebec and of the Monitor since the Fifth Report and to support the Petitioners' request for the issuance of the Third ARIO, including (i) an extension of the Stay Period until March 17, 2023, (ii) the approval of a Second DIP Facility from EDC in an amount of \$2.5M, (iii) the granting of a Second DIP Charge of \$3.0M, the (iv) reduction of the Administration Charge to \$2.25M following the disbursement of the first tranche of the Second DIP, and (v) the issuance of the Sullair AVO, Ivys AVO and FSTQ AVO.
26. The Monitor provided, in the Sixth Report, updated information in respect to, *inter alia*, (i) the SISP, certain completed transactions in connection thereto (Xebec UK/Tiger, ACS and Hygear) and certain transactions to be approved and closed (CDA, CAL, BLA, CAI and GNR), (ii) the supplemental DIP facility and ongoing discussions with EDC, as well as (iii) information in respect to the 8-week cash-flow projections contained in the Fifth Report.
27. On February 13, 2023, the Court issued the Third ARIO.
28. On February 17, 2023, the Court issued the Ivys AVO, as well as its reasons for issuing the Third ARIO, which included reasons in respect of dismissing submissions of opponents to the Ivys Transaction, namely Shanghai Shenergy Energy Innovation & Development Co. Ltd and Shanghai Lihuan Investment Corp.
29. On March 11, 2023, the Petitioners filed an *Application for the Issuance of a Fourth Amended and Restated Initial Order, Approval and Vesting Orders, a Wage Earner Protection Program Act Order and Ancillary Relief*, seeking *inter alia*:

- a) the issuance of two approval and vesting orders (the "**TIT AVO**" and the "**XBC AVO**") in relation to, respectively:
 - i. the proposed sale of substantially all of the assets of The Titus Company ("**TIT**") to FAD Pennsylvania Inc.; and
 - ii. the proposed sale of substantially all of the assets of XBC Flow Services – Wisconsin Inc. ("**XBC**") to Total Energy Systems, LLC.
 - b) the termination of the First DIP Charge, the Second DIP Charge and of the Transaction Charge, further to the mechanism set forth in the Monitor's Application for Payments (as defined hereunder) and in accordance with the order sought in relation thereto;
 - c) the approval of an amendment to the list of participants to the KERPs and of an increased KERP amount;
 - d) the issuance of an order (the "**WEPP Order**") declaring that pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1 that FormerXBC Inc., ACS and CAI meet the criteria established by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the "**WEPP Relief**");
 - e) the increase of the aggregate amount for transactions subject to the Monitor's approval (as it then was provided for under para. 60c) of the Third ARIO); and
 - f) the extension of the Stay Period up and until May 5, 2023.
30. The Monitor concurrently filed an *Application for Authorization to Make Payments in Connection With the CCAA and Related Relief* (hereinafter, the "**Application for Payments**") seeking, *inter alia*, an order (the "**Monitor Payments Order**"):
- a) authorizing the Monitor to pay, from the Net Proceeds of Transactions (as defined in the Application for Payments), amounts owing to the beneficiaries of CCAA Charges, including in respect of the DIP Charge, the Second DIP Charge, the Transaction Charge and the KERP Charge; and
 - b) providing a mechanism for the discharge and/or reduction of the above-mentioned CCAA Charges, pursuant to the issuance of certificates of the Monitor and without further order of the Court.
31. On or about March 14, 2023, the Petitioners notified the *Amended Application for the Issuance of a Fourth Amended and Restated Initial Order, Approval and Vesting Orders, a Wage Earner Protection Program Act Order and Ancillary Relief*, following the execution of an Asset Purchase Agreement entered into between Xebec Systems USA LLC ("**UEC**"), as seller, and EnergyLink US Inc., as purchaser. In light of same, the Application was amended in order to also seek the issuance of an approval and vesting order (the "**UEC AVO**") in relation to the proposed sale of substantially all the assets of UEC.
32. Also on March 14, 2023, the Petitioners filed an *Urgent Application for the Issuance of an Order Directing Payment in Trust to the Court-Appointed Monitor*, seeking, *inter alia*, to order (i) NBC to direct any payment to be made pursuant to the irrevocable standby letter of credit No. OGUA58735 (the "**London RNG LC**") in trust to the Monitor, and (ii) the Monitor to maintain in its trust account any payment made by NBC in connection with the London RNG LC, until determination of the parties' respective rights under the London RNG LC is made in a final judgment of a Court or other forum having jurisdiction, or until an agreement is entered into by the parties (the "**London RNG LC Order**").

33. On March 15, 2023, the Monitor issued its Seventh Report. The purpose of the Seventh Report was to report on the activities of Xebec and of the Monitor since the Sixth Report and to support the issuance of the Fourth ARIO and related orders, including (i) an extension of the Stay Period until May 5, 2023, (ii) the approval of an amendment to the list of participants to the KERPs and of an increased KERP amount, (iii) the approval of the WEPP Relief, (iv) the issuance of the London RNG LC Order, (v) the increase of the aggregate amount for transactions subject to the Monitor's approval, and (vi) the issuance of the TIT AVO, XBC AVO and UEC AVO.
34. The Monitor provided in the Seventh Report, *inter alia*, updated information in respect of (i) completed transactions as part of the SISP (GNR, CDA, CAL, BLA and CAI), closed transactions subject to the Monitor's approval (AIR and NOR) and transactions to be approved by the Court (TIT, XBC and UEC), (ii) the financing of the restructuring process and ongoing discussions with EDC in relation to the Third DIP Facility, (iii) recognition proceedings in the U.S., (iv) the security held by NBC and EDC, and (v) actual cash flows as of the week-ending March 4, 2023, and cash-flow projections until the week-ending May 6, 2023.
35. On March 16, 2023, the Court issued a series of orders, namely the Fourth ARIO, the TIT AVO, the XBC AVO, the UEC AVO, the WEPP Order, the London RNG LC Order and the Monitor Payments Order.
36. On March 22, 2023, the Petitioners filed an *Application for the Issuance of a Fifth Amended and Restated Initial Order (Interim Financing)* seeking *inter alia*, (i) the approval of the Third DIP Facility provided by EDC in the amount of \$3.45M (the "**Third DIP Facility**"), (ii) the granting of a "**Third DIP Charge**" in the amount of \$4.1M, and (iii) a mechanism for the reduction of the Administration Charge, upon receipt of disbursements from EDC under the Third DIP Facility and subject to the issuance of a certificate by the Monitor.
37. On March 24, 2023, the Monitor issued its Eighth Report. The purpose of the Eighth Report was to support the Petitioners' request for the issuance of the Fifth ARIO, including principally the approval of the Third DIP Facility, and to report on the activities of Xebec and the Monitor since the Seventh Report, including on the following items: (i) a general update since the Seventh Report, (ii) the SISP and sales of the Xebec Group's Remaining Assets, (iii) the Third DIP Facility, Third DIP Charge and reduction of the Administration Charge, and (iv) general comments on the updated 9-Week Cash-Flow Projections contained in the Seventh Report.
38. On March 27, 2023, the Court issued the Fifth ARIO.
39. On April 28, 2023, the Petitioners notified the *Application for an Extension of the Stay of Proceedings*, seeking an extension of the Stay Period up and until May 24, 2023.
40. On April 28, 2023, the Petitioners also notified the *Application for a de Bene Esse Authorization to Execute a Settlement Agreement and for Partial Lift of the Stay of Proceedings*, seeking, *inter alia*, (i) a partial lift of proceedings so as to allow the filing of all necessary materials required in order to obtain the approval of a settlement agreement in Court file No. 500-06-001135-215 (the "**Class Action File**"), (ii) authorizing Xebec Inc. to execute the settlement agreement in the Class Action File (the "**Class Action Settlement**"), and (iii) authorizing Xebec Inc. to execute and deliver, or cause to be executed and delivered, such further documents and instruments or to take, or cause to be taken, such further actions as may be necessary or may be ordered or requested by the Superior Court of Québec (Class Action Division) to make effective the Class Action Settlement.

41. On April 28, 2023, the Monitor notified its *Application of the Monitor for Authorization to Make Payments in Connection With the Third DIP Facility and the Third DIP Charge*, seeking the Court's authorization to (i) pay, from the Net Proceeds, amounts owed by the Petitioners to EDC under the Third DIP Facility and secured by the Third DIP Charge, and to (ii) issue a Monitor's certificate upon EDC's receipt of the amounts owed under the Third DIP Facility, thereby effecting a cancellation and discharge of the Third DIP Charge.
42. On May 3, 2023, the Monitor issued its Ninth Report. The purpose of the Ninth Report was, *inter alia*, to support the Class Action Settlement Action, the extension of the stay period up and until May 24, 2023, and to report on the activities of Xebec and the Monitor since the Eighth Report, including on the following items: (i) the transactions completed as part of the SISP and sales of the Xebec Group's Remaining Assets and Other Remaining Assets, (ii) an update on various aspects of the restructuring process since the Eighth Report, (iii) an update on recognition proceedings, (iv) an update on the Intercompany Payments, (v) an update on the Intercompany Transactions Report and on the Proposed Allocation to be filed by the Monitor, (vi) the payments to Critical Suppliers, (vii) an update on Letters of credit, (viii) an update on Actual Receipts and Disbursements, and (ix) on the 6-Week Cash-Flow Projections.
43. On May 5, 2023, the Court issued a series of orders namely, the (i) *Order Authorizing the Monitor to Pay Amounts Owed Under the Third DIP Facility and Secured by the Third DIP Charge*, the (ii) *Order Extending the Stay of Proceedings*, and (iii) the *Order Partially Lifting the Stay of Proceedings (Class Action Settlement)*, but solely as to allow the partial lift of the stay of proceedings to allow the filing materials in order to seek the approval of settlement agreement.
44. On May 19, 2023, the Petitioners filed an *Application for (i) an Extension of the Stay of Proceedings*, seeking an extension of the Stay Period up and until September 29, 2023 (ii) *the Establishment of a Claims Process*, (iii) *the authorization to Use Net Proceeds to Fund Cash-Flow Requirements*, and (iv) *the Issuance of an Approval and Vesting Order*.
45. On May 19, 2023, the Monitor issued its Tenth Report. The purpose of the Tenth Report was, *inter alia*, to support the Biostreams AVO, the extension of the stay period up and until September 29, 2023, and to report on the activities of Xebec and the Monitor since the Ninth Report, including *inter alia*: (i) the transactions completed as part of the SISP and realization of the Xebec Group's remaining assets, (ii) an update on various aspects of the restructuring process since the Ninth Report, (iii) an update on recognition proceedings, (iv) an update on the Intercompany Transactions Report and on the Proposed Allocation to be filed by the Monitor, (v) information about the proposed Claims Process, (vi) an update on Actual Receipts and Disbursements and on the 20-Week Cash-Flow Projections.
46. On May 24, 2023, the Court issued a series of orders namely, the (i) *Approval and Vesting Order in Respect of the Biostream Assets of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC)* (the "**Biostreams AVO**"), the (ii) *Claims Procedure Order* (the "**CPO**"), the (iii) *Order Authorizing the Use of Net Proceeds to Fund Cash-Flow Requirements*, and the (iv) *Order Extending the Stay of Proceedings*.
47. On May 26, 2023, the Court issued its reasons in support of the issuance of the above-mentioned orders.
48. On June 9, 2023, following payment of amounts owed thereunder, the Monitor issued its *Certificate of the Monitor (Cancellation and Discharge of the KERP Charge)*, thereby effecting the cancellation and discharge of the KERP Charge.
49. On June 14, 2023, the Monitor issued the *Notice of an Information Session in Respect of the Proposed Allocation Method Report* to the service list and posted same on its website.

50. On June 16, 2023, the Monitor issued its *Proposed Allocation Method Report, including the Intercompany Transactions Report* (the "**Allocation Method Report**") and filed an *Application of the Monitor for the Approval of a Proposed Allocation Method* (the "**Proposed Allocation Application**"), seeking the approval of the Proposed Allocation Method (as defined and set forth therein).
51. On June 20, 2023, the Monitor held a virtual information session with stakeholders of the Xebec Group. It also published the minutes and the video recording of such meeting on its website.
52. On June 29, 2023, further to the hearing held on June 27, 2023, on the Proposed Allocation Application, the Court issued the *Order to Approve a Proposed Allocation Plan* (the "**Allocation Order**").
53. On September 25, 2023, the Petitioners filed an *Application for an Extension of the Stay of Proceedings and Settlement Approval Order*, seeking an extension of the Stay Period up and until December 15, 2023, the approval of the Xebec UK Settlement (as defined hereinafter) and certain clarifications in respect of the CPO.
54. On September 27, 2023, the Monitor issued its Eleventh Report. The purpose of the Eleventh Report was to support the relief sought in the above-mentioned application, including in respect of providing an update on (i) various aspects of the restructuring process since the Tenth Report, (ii) recognitions proceedings in the United States, (iii) intercompany payments, (iv) non-Petitioner entities, (v) upcoming steps to the filing of plans of compromise, and (vi) actual receipts and disbursements.
55. On September 29, 2023, the Court issued the *Order Extending the Stay of Proceedings, Approving a Settlement Payment and Other Ancillary Relief*, whereby, *inter alia* it (i) extended the Stay Period until December 15, 2023, (ii) authorized the settlement agreement in relation to the Earn-Out Claim payable by Xebec UK, and (iii) issued a clarification in relation to paragraph 14 of the Claims Procedure Order.
56. On October 19, 2023, the Court issued the *Judgment (Approval of Transaction and Fees)* in the Class Action File.
57. On October 26, 2023, the Petitioners notified the *Application for the Issuance of a Plan Filing and Meeting Order and Ancillary Relief* (the "**Application**"), *inter alia* (i) authorizing each of ACS, AIR, CAI, CDA, CAL, NOR, TIT, UEC, XBC, XHU and XSU to file plans of compromise pursuant to the CCAA, (ii) convening meetings of creditors (which will all be held together), (iii) setting a date for the hearing on the sanction order(s) to be sought, (iv) approving the EDC Support Agreement (as defined herein), and (v) authorizing the review of late claims.
58. Following the notification of the Application, the Monitor issued its Twelfth Report, the purpose of which was to support the Application and to report on the following items: (i) update on various aspects of the restructuring proceedings, (ii) update on recognition proceedings in the United States, (iii) update on certain non-Petitioner entities, (iv) update on the Claims Process, (v) information relating to the EDC Support Agreement, (vi) information on the plans of compromise to be submitted to creditors, and (vii) the Monitor's conclusions and recommendations regarding same.
59. On November 1, 2023, the Court issued the *Plan Filing and Meeting Order* and the *Order Authorizing the Review of Certain Late Claims*. The written reasons supporting the issuance of these orders were issued on November 3, 2023.
60. the Monitor hereby issues its Report on the Plan of AIR which is meant to provide information in support of the approval of the Plan.

RESERVES

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

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 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;

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;

“**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 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;

“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

- (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.

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

- (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.

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.

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 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 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

- (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-

**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:

**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:**

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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)**

Debtors / Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**RESOLUTION OF AFFECTED CREDITORS OF ENERPHASE INDUSTRIAL
SOLUTIONS, INC. AT THE CREDITORS' MEETING**

BE IT RESOLVED THAT:

1. The Plan of Compromise dated October 26, 2023 filed by Enerphase Industrial Solutions, Inc. under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as may be further amended, restated or supplemented from time to time in accordance with its terms (the "**Plan**"), which Plan has been presented to this Creditors' Meeting, be and is hereby accepted, approved and authorized;
2. Any director or officer of Enerphase Industrial Solutions, Inc. be and is hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of Enerphase Industrial Solutions, Inc., to execute and deliver, or cause to be executed and delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such directors or officers of such documents, agreements or instruments or the doing of any such act or thing.
3. Notwithstanding that this Resolution has been passed and the Plan has been approved by the Affected Creditors and the Court, the directors of Enerphase Industrial Solutions, Inc. be and are hereby authorized and empowered to amend the Plan or not proceed to implement the Plan subject to and in accordance with the terms thereof.

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-061483-224

DATE: November 1st, 2023

PRESIDING: THE HONOURABLE CHRISTIAN IMMER, J.S.C.

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

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

and

DELOITTE RESTRUCTURING INC.
Monitor

PLAN FILING AND MEETING ORDER

- [1] **CONSIDERING** that on September 29, 2022, this Court issued the First Day Initial Order (“**FDIO**”) pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”) in respect of the Petitioners, notably appointing Deloitte Restructuring Inc. as court-appointed monitor pursuant to the CCAA;
- [2] **CONSIDERING** that, also on September 29, 2022, concurrently with the issuance of the FDIO, this Court issued the Bidding Procedures Order, at which time the Sale and Investment Solicitation Process (the “**SISP**”) with respect to the Petitioners and their affiliates was launched and implemented as part of these CCAA proceedings;
- [3] **CONSIDERING** that, in accordance with the Bidding Procedures Order, National Bank Financial (“**NBF**”) was mandated to conduct the SISP and to assist the Petitioners, in consultation with the Monitor, at all stages of same;
- [4] **CONSIDERING** that on September 30, 2022, recognition proceedings were initiated in the United States of America pursuant to Chapter 15 of the U.S. Bankruptcy Code, in conformity with the orders issued by the U.S. Court from time to time thereafter;
- [5] **CONSIDERING** that the FDIO was amended from time to time by the issuance of the various Amended and Restated Initial Orders by this Court, including the latest Fifth ARIO issued on March 27, 2023 (the “**Fifth ARIO**”);
- [6] **CONSIDERING** that the SISP was conducted by NBF and the Petitioners, in consultation with the Monitor, in accordance with the orders issued by this Court and described in the various Monitor’s reports filed with this Court from time to time since the initiation of the CCAA proceedings;
- [7] **CONSIDERING** that following the outcome of the SISP, and of subsequent processes set forth by the Petitioners with the assistance of the Monitor, a total of thirteen transactions involving the assets of various Petitioners were concluded as at the date of this Order;
- [8] **CONSIDERING** the *Application for the Issuance of a Plan Filing and Meeting Order and Ancillary Relief* (the “**Application**”) pursuant to the CCAA, of the Petitioners and the affidavit of Mr. Dimitrios Vounassis, filed in support thereof;
- [9] **CONSIDERING** the submissions of counsel present at the hearing on the Application;
- [10] **CONSIDERING** the testimony of the Monitor’s representative at the hearing on the Application;
- [11] **CONSIDERING** the role and duty of the Monitor as independent court-appointed officer;
- [12] **GIVEN** the provisions of the CCAA;

THE COURT HEREBY:

[13] **GRANTS** the Application, with further written reasons to follow.

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

- (a) Service;
- (b) Definitions;
- (c) Plan Support and Settlement Agreement Approval;
- (d) Plans of Compromise;
- (e) Form of Documents;
- (f) Notification Procedures;
- (g) Creditors' Meeting;
- (h) Notice of Transfers;
- (i) Notices and Communications;
- (j) Sanction Hearing;
- (k) Role of the Monitor;
- (l) Aid and Assistance of Other Courts; and
- (m) General Provisions.

A. SERVICE

[15] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that the Application is properly returnable today and dispenses with further service thereof.

[16] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Petitioners.

B. DEFINITIONS

[17] **DECLARES** that the capitalized terms not otherwise defined in this Order shall have the meanings ascribed in **Schedule A** hereto.

C. PLAN SUPPORT AND SETTLEMENT AGREEMENT APPROVAL

- [18] **ORDERS AND DECLARES** that the Plan Support Agreement is hereby approved, and the execution of the Plan Support Agreement by the Monitor and the Petitioners is hereby authorized and approved *nunc pro tunc*, with such minor alterations, changes, amendments, deletions or additions thereto as may be agreed to by the Petitioners, the Monitor and Export Development Canada (“EDC”).
- [19] **AUTHORIZES** the Petitioners, the Monitor and EDC to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Plan Support Agreement and any other ancillary document which could be required or useful to give full and complete effect thereto.
- [20] **ORDERS and DECLARES** that this Order shall constitute the only authorization required by the Petitioners and the Monitor to proceed with the execution of the Plan Support Agreement and the carrying out of their obligations in connection therewith, and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

D. PARTIAL LIFT OF THE STAY

- [21] **LIFTS** the stay of proceedings herein for the sole purpose of authorizing EDC to send a notice of withdrawal of the authorization to collect claims under the Civil Code of Québec to FormerXBC Inc. (formerly Xebec Adsorption Inc.), and register such notices on the Register of Personal and Moveable Real Rights, hence authorizing it to vote on behalf of FormerXBC Inc. (formerly Xebec Adsorption Inc.) in the Plans (as defined in paragraph E.[22] below).

E. PLANS OF COMPROMISE

- [22] **ORDERS** that the Plans of Compromise pursuant to the CCAA filed by 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 “**Plan Debtors**”, each individually, a “**Plan Debtor**”) dated October 26, 2023, attached hereto as **Schedules “G”, “H”, “I”, “J”, “K”, “L”, “M”, “N”, “O”, “P”, and “Q”** (as they may be amended, supplemented and restated from time to time, each a “**Plan**” and collectively, the “**Plans**”) are accepted for filing for the purpose of the Plan Debtors seeking approval of each Plan from the Affected Creditors in the manner set forth herein.

- [23] **ORDERS** that for the purpose of considering and voting on under each Plan, the Affected Creditors shall constitute a single class.
- [24] **ORDERS** that each Plan Debtor, in consultation with the Monitor, is authorized, at any time and from time to time at or before the Creditors' Meeting, to make any amendment, restatement, modification, deletion or supplement to its Plan, 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 such Plan.
- [25] **ORDERS** each Plan Debtor to file with the Court and notify to the Service List any amendment, restatement, modification, deletion or supplement referenced in the immediately preceding paragraph as soon as practicable, and give notice to the Affected Creditors of the details of any amendment, restatement, modification, deletion or supplement at the Creditors' Meeting prior to the vote being taken to approve each Plan.
- [26] **ORDERS** that after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), each Plan Debtor is authorized, with the consent of the Monitor, at any time and from time to time vary, amend, restate, modify or supplement its Plan, without the need for obtaining an Order of the Court, providing notice to the Affected Creditors or obtaining consent from the Affected Creditors, if the Monitor determines that such variation, amendment, restatement, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under such Plan or the Sanction Order and is necessary in order to give effect to the substance of such Plan or the Sanction Order.

F. FORM OF DOCUMENTS

- [27] **APPROVES** each of the forms of: (i) the Creditor Letter, (ii) the Notice of Creditors' Meeting and Sanction Hearing, (iii) the Proxy and Voting Form, (iv) the Registration Form, and (v) the Form of Resolution, and **AUTHORIZES** the Monitor, in consultation with the Plan Debtors, to make such minor changes to such forms of documents as it considers necessary or desirable, notably to conform the content thereof to the terms of each Plan or this Order or any further Orders of the Court.

G. NOTIFICATION PROCEDURES

- [28] **ORDERS** that the Monitor shall prepare, for each of the Plan Debtor, a package containing a copy of (i) this Order, (ii) the Creditor Letter, (iii) the Notice of Creditors' Meeting and Sanction Hearing, (iv) the Proxy and Voting Form, (v) the Registration Form, (vi) the Form of Resolution, and (vii) the Plan (all packages for each of the Plan Debtor collectively, with the Report of the Monitor to be filed in connection with the Plan, the "**Meeting Materials**"), and, for each of the Plan Debtor, cause same to be sent, by regular mail, courier or e-mail, in English and in French, as soon as reasonably practicable after the granting of this Order and, in any event, no later than 5:00 p.m. (Montréal time) on November 18, 2023 to each Affected Creditor as of the date of this Order at the address for such Affected

Creditor set out in such Affected Creditor's Proof of Claim or to such other address that has been provided to the Monitor by such Affected Creditor pursuant to Paragraph [52] or [55]. For greater certainty, Affected Creditors shall only receive the Meeting Materials in respect of the Plan Debtor relevant to each Affected Creditor's Voting Claim.

[29] **ORDERS** that the Monitor shall:

- (a) Forthwith publish on the Website an electronic copy of the Meeting Materials;
- (b) Email or cause to be emailed a copy of the Meeting Materials to the Service List; and
- (c) Provide a copy of the Meeting Materials to any Affected Creditor upon written request by such Affected Creditor, provided that such written request is received by the Monitor no later than three (3) Business Days prior to the Creditors' Meeting (or any adjournment thereof).

[30] **ORDERS** that on or before November 9, 2023, the Monitor shall cause the Notice of Creditors' Meeting and Sanction Hearing to be published in the Globe and Mail (National Edition), La Presse + and USA Today (National Edition).

[31] **ORDERS** that, each Plan Debtor and the Monitor are hereby authorized to provide such supplemental information ("**Additional Information**") to the Meeting Materials as the Plan Debtor may determine, with the consent of the Monitor, and such Additional Information shall be distributed or made available by posting on the Website and served on the Service List, and any such other method of delivery that the Plan Debtor, with the consent of the Monitor, determine is appropriate.

[32] **ORDERS** that the publications and/or delivery referred to in Paragraphs [28], [29], [30] and [31] hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, and no other form of notice or service need be made on such Persons, and no other document or material need be served on such Persons in respect of these proceedings.

[33] **ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor shall not constitute a breach of this Order and the non-receipt shall not invalidate any resolution passed or proceedings taken at the Creditors' Meeting.

H. **CREDITORS' MEETING**

[34] **ORDERS** that the Monitor is hereby authorized to call, hold and conduct, for each Plan Debtor, the Creditors' Meeting on November 30, 2023, by videoconference or teleconference, for the purpose of considering and, if appropriate, approving the Plan, and voting upon, with or without variation, the resolutions substantially in the

form of the Form of Resolution, at a place, date and time to be determined by the Monitor and as shall be set forth in the Notice of Creditors' Meeting and Sanction Hearing.

- [35] **ORDERS** that the only Persons entitled to attend the Creditors' Meeting are:
- (a) Affected Creditors, their legal representatives and their proxy holders, provided that in each case, such Person has completed and submitted by email the required Registration Form by the Proxy Deadline (as defined below);
 - (b) representatives of the Petitioners, members of the board of directors of the Petitioners and their representatives, representatives of the Monitor, the Chair and their respective legal and financial advisors; and
 - (c) any other Person admitted to the Creditors' Meeting on invitation of the Petitioners or the Monitor.
- [36] **ORDERS** that any proxy which any Affected Creditor wishes to submit in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached hereto as **Schedule D** (or in such other form acceptable to the Monitor or the Chair).
- [37] **ORDERS** that any Proxy and Voting Form in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be received by the Monitor in accordance with Paragraph [55] hereof by 5:00 p.m. (Montréal time) on November 28, 2023 (the "**Proxy Deadline**"), being two (2) Business Days prior to the date set for the Creditors' Meeting in Paragraph [34] hereof. The Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which a Proxy and Voting Form is completed.
- [38] **ORDERS** that, in the absence of instruction to vote for or against the approval of a resolution (substantially in the form of the Form of Resolution) in a duly signed and returned Proxy and Voting Form that appoints a representative of the Monitor as proxy holder, the Proxy and Voting Form shall be deemed to include instructions to vote for the approval of the resolution (substantially in the form of the Form of Resolution) to approve the related Plan, provided the proxy holder does not otherwise revoke the Proxy and Voting Form by written notice to the Monitor delivered so that it is received by the Monitor no later than the Proxy Deadline.
- [39] **ORDERS** that the quorum required at the Creditors' Meeting shall be one Affected Creditor having a Voting Claim present at such meeting in person or by proxy for each of the Plans. If the requisite quorum is not present at the Creditors' Meeting, then the Creditors' Meeting in respect of the relevant Plan shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable.
- [40] **ORDERS** that the Chair, with the consent of the Plan Debtor, not to be unreasonably withheld, is authorized to adjourn, postpone or otherwise reschedule

the Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair, with the consent of the Plan Debtor, deem necessary or desirable (without the need to first convene any such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Plan Debtor, the Chair or the Monitor shall be required to deliver any notice of the adjournment, postponement or rescheduling of the Creditors' Meeting or adjourned Creditors' Meeting, as applicable, provided that the Monitor shall:

- (a) announce the adjournment, postponement or rescheduling of the Creditors' Meeting or adjourned Creditors' Meeting to the participants, if the commencement of the Creditors' Meeting has occurred prior to the adjournment, postponement or rescheduling;
- (b) forthwith post notice of the adjournment, postponement or rescheduling on the Website; and
- (c) forthwith provide notice of the adjournment, postponement or rescheduling to the Service List.

[41] **ORDERS** that by a simple vote of a majority in number of the Voting Claims of Persons present and entitled to vote at the Creditors' Meeting or by proxy, the Creditors' Meeting may be adjourned or re-adjourned to a subsequent date, time and place as determined by such vote and in such case no further notice will be necessary. Any Proxy and Voting Form validly delivered in connection with the Creditors' Meeting shall be accepted as Proxy and Voting Form in respect of any adjourned, postponed or rescheduled Meeting.

[42] **ORDERS** that the only Persons entitled to vote on the Plan at the Creditors' Meeting shall be Creditors with a Voting Claim, pursuant to such Plan, and their proxy holders. Each Creditor with a Voting Claim will be entitled to a number of votes equal to the value in dollars of its Voting Claim regarding such Plan.

[43] **ORDERS** that Creditors with a Voting Claim wishing to cast their vote at the Creditors' Meeting shall do so by way of a show of hands, e-mail message, Teams message or by any other means, as determined by the Monitor in its sole discretion.

[44] **ORDERS** that Affected Creditors with Proven Claims who are Convenience Creditors shall be deemed to vote in favour of the resolution to approve the Plan at the Creditors' Meeting.

[45] **ORDERS** that all Persons holding Equity Claims shall not be entitled to vote or attend the Creditors' Meeting.

[46] **ORDERS** that solely for the purpose of voting at the Creditors' Meeting, (a) a Plan Debtor shall be deemed to assign its votes attached to the Intercompany Claims to the Affected Creditors as a whole; (b) the Affected Creditors as a whole nominate, constitute and appoint Mr. Jean-François 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 Affected Creditors of the Plan Debtor at the Creditors' Meeting, to vote the Intercompany Claims in favour of the Plan(s) of such other Petitioner(s); and (c) solely in respect of the

Intercompany Claims, to vote at his discretion and otherwise act for and on behalf of the Affected Creditors of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such Creditors' Meeting and in such Plan, and with respect to other matters that may properly presented at such Creditors' Meeting; the whole under reserve of the right of any Affected Creditor to make representations in relation to the matters set forth in the present paragraph at the Sanction Hearing.

- [47] **ORDERS** that a Voting Claim shall not include fractional numbers and shall be rounded down to the nearest whole Canadian dollar amount.
- [48] **ORDERS** that the Monitor shall keep a separate record of the votes cast by Creditors with Voting Claims determined by the Monitor for voting purposes only in accordance with Paragraph 19 of the Claims Procedure Order and shall report to the Court with respect thereto at the Sanction Application.
- [49] **ORDERS** that the results of any vote on a Plan conducted at the Creditors' Meeting shall be binding on all Creditors concerned by such Plan, whether or not any such Creditor is present or voting at the Creditors' Meeting.
- [50] **ORDERS** that a representative of the Monitor shall preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to any further order of this Court, shall decide all matters relating to the conduct of such Creditors' Meeting. The Plan Debtor and any Creditor with a Voting Claim in regard to a specific Plan may appeal from any decision of the Chair to the Court, within three (3) Business Days of any such decision.
- [51] **DECLARES** that, at the Creditors' Meeting, the Chair is authorized to direct a vote on the resolutions substantially in the form of the Form of Resolution to approve the Plan, and any amendments thereto made in accordance with Paragraph [24] of this Order.
- [52] **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting and that a Person designated by the Monitor shall act as secretary at the Creditors' Meeting.

I. NOTICE OF TRANSFERS

- [53] **ORDERS** that, for purposes of voting at the Creditors' Meeting, if a Creditor who has a Voting Claim transfers or assigns all of its Voting Claim and the transferee or assignee delivers evidence satisfactory to the Monitor of its ownership of all of such Voting Claim and a written request to the Monitor, not later than 5:00 pm on the date that is seven (7) days prior to the date of the Creditors' Meeting, or such later time that the Monitor may agree to, that such transferee's or assignee's name be included on the list of Creditors entitled to vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu of the transferor or assignor.
- [54] **ORDERS** that, for purposes of distributions to be effected pursuant to each Plan, if a Creditor transfers or assigns the whole of its Voting Claim to another Person,

neither the Plan Debtor, nor the Monitor shall be obligated to deal with the transferee or assignee of the Voting Claim as the Creditor in respect thereof unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with satisfactory evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least five (5) Business Days prior to any distribution under each Plan.

[55] **ORDERS** that if the holder of a Voting Claim or any subsequent holder of the whole of a Voting Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Voting Claim or Voting Claims and such Claim shall continue to constitute and be dealt with as a single Voting Claim notwithstanding such transfer or assignment, and the Monitor and the Plan Debtors shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim as a whole shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order.

J. NOTICES AND COMMUNICATIONS

[56] **ORDERS** that any notice or other communication to be given under this Order by an Affected Creditor to the Monitor or the Plan Debtors shall be in writing and will be sufficiently given only if given by courier or email communication addressed to:

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 and
Frédéric Turbide
Email: jnadon@deloitte.ca,
jmortreux@deloitte.ca and
fturbide@deloitte.ca

With a copy to: **McCarthy Tétrault LLP**
1000 De La Gauchetière Street West
Suite MZ400
Montréal, QC, H3B 0A2
Attention: Mtre Jocelyn T. Perreault,
Mtre Gabriel Faure and
Mtre Marc-Étienne Boucher
Email: jperreault@mccarthy.ca,

gfaure@mccarthy.ca and
meboucher@mccarthy.ca

Petitioners and Plan Osler, Hoskin, Harcourt LLP

Debtors: 1000 De La Gauchetière Street West
Suite 2100
Montréal, Québec H3B 4W5
Attention: Mtre Sandra Abitan,
Mtre Julien Morissette,
Mtre Iliia Kravtsov and
Mtre Sophie Courville-Le Bouyonnec
Email: sabitan@osler.com,
jmorissette@osler.com,
ikravtsov@osler.com and
scourville@osler.com

[57] **ORDERS** that any document sent by the Monitor pursuant to this Order may be sent by regular mail, registered mail, courier, email or other means of electronic communication. A Creditor shall be deemed to have received any document sent pursuant to this Order three (3) Business Days after the document is sent by regular mail or registered mail and one (1) Business Day after the document is sent by courier, email or other means of electronic communication. Documents shall not be sent by regular or registered mail during a postal strike or work stoppage of general application.

K. SANCTION HEARING

[58] **ORDERS** that the Monitor shall provide a report to the Court as soon as practicable after the Creditors' Meeting (the "**Monitor's Report Regarding the Creditors' Meeting**") with respect to:

- (a) the results of voting for each Plan at the Creditors' Meeting;
- (b) whether the Required Majority has approved each Plan;
- (c) the separate tabulation required by Paragraph [47] hereof, if applicable; and
- (d) in its discretion, any other matter relating to the Petitioners' application(s) seeking sanction of each Plan.

[59] **ORDERS** that in the event a Plan has been approved by the Required Majority of the Affected Creditors, the Petitioners may seek the sanction of such Plan before this Court on or about December 8, 2023 (the "**Sanction Application**").

[60] **SCHEDULES** the hearing on the Sanction Application (the "**Sanction Hearing**") to take place on December 15, 2023, at a time to be determined by the Court and communicated to the Service List.

- [61] **ORDERS** that the Sanction Hearing may take place at such later date as the Monitor may advise or cause to be advised the Service List in these proceedings, provided that such later date shall be acceptable to the Court, the Petitioners and the Monitor.
- [62] **ORDERS** that an electronic copy of the Monitor's Report Regarding the Creditors' Meeting, the Plans, and a copy of the materials filed in respect of the Sanction Application shall be posted on the Website prior to the Sanction Hearing.
- [63] **ORDERS** that service of this Order by the Petitioners to the parties on the Service List and the delivery of the Meeting Materials in accordance with Paragraph [28] hereof and the posting of the Meeting Materials on the Website in accordance with Paragraph [29] hereof shall constitute good and sufficient service and notice of the Sanction Application.
- [64] **ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons appearing on the Service List as of the date of service shall be served with notice of the adjourned date.
- [65] **ORDERS** that any Person who wishes to oppose the Sanction Application shall serve upon the parties on the Service List, and file with the Court a copy of the materials to be used to oppose the Sanction Application by no later than 5:00 p.m. (Montréal time) on December 12, 2023 or, if applicable, three (3) days' prior to any adjourned or rescheduled Sanction Hearing.

L. **ROLE OF THE MONITOR**

- [66] **ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, the Fifth ARIO and the Claims Procedure Order, is directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.
- [67] **ORDERS** that:
- (a) In carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order, and any other Order granted in these CCAA Proceedings and as an officer of the Court, including the stay of proceedings in its favour;
 - (b) The Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part;
 - (c) The Monitor shall be entitled to rely on the books and records of the Petitioners and any information provided by the Petitioners, and any information acquired by the Monitor as a result of carrying out its duties under this Order without independent investigation, and the Monitor shall

not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

M. AID AND ASSISTANCE OF OTHER COURTS

[68] **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 U.S. Court, and any court or administrative body elsewhere, to give effect to this Order and to assist the Petitioners, the Monitor and their respective agents in carrying out the terms of this Order. 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 Order in any foreign proceeding, to assist the Petitioners and the Monitor and their respective agents in carrying out this Order.

N. GENERAL PROVISIONS

[69] **ORDERS** that the following Schedules form part of this Order:


- (a) Schedule A – Definitions;
- (b) Schedule B – Creditor Letter;
- (c) Schedule C – Notice of Creditors' Meeting and Sanction Hearing;
- (d) Schedule D – Proxy and Voting Form;
- (e) Schedule E – Registration Form;
- (f) Schedule F – Form of Resolution; and
- (g) Schedules G to Q – Plans.

[70] **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 Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents.

[71] **ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of any Plan and this Order, the terms of this Order shall govern and be paramount, and any such provision of the Plan shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

- [72] **ORDERS** that references in this Order to the singular include the plural, to the plural include the singular.
- [73] **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order.
- [74] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.

THE WHOLE WITHOUT LEGAL COSTS.



Christian Immer, J.S.C.

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

Hearing date: October 31, 2023