

PLAN SUPPORT AND SETTLEMENT AGREEMENT

This Plan Support and Settlement Agreement dated as of October 26, 2023 is made by and between Export Development Canada (**EDC**) and FormerXBC Holding USA Inc. (formerly, Xebec Holding USA Inc., **XHU**) and certain of its affiliates, to which Deloitte Restructuring Inc., in its capacity as court-appointed monitor pursuant to the CCAA and not in its personal or corporate capacity, intervenes.

Table of contents

Preamble	2
Article 1 Definitions	3
Article 2 Distributions	6
2.1 Distribution Proceeds	6
2.1.1 CAL, NOR, UEC and XBC	6
2.1.2 ACS, AIR, CAI, CDA, TIT, XHU and XSU: Distribution Proceeds	7
2.2 Distribution Methods	7
2.2.1 ACS, AIR, CAL, CDA, NOR, TIT, UEC, XBC, XHU and XSU	7
2.2.2 CAI	7
2.3 BLA	7
Article 3 Support	7
Article 4 Conditions and Termination	8
4.1 Conditions	8
4.2 Termination	8
Article 5 Fees	8
Article 6 Implementation	9
6.1 Plans	9
Article 7 General	9
7.1 Intervention of the Monitor	9
7.2 Authority	9
7.3 Applicable law	9
7.4 Jurisdiction of the Court	9
7.5 Counterparts	10
7.6 English	10
SCHEDULE "A": ILLUSTRATION OF THE DISTRIBUTIONS TO CREDITORS UNDER THE PLANS	13
SCHEDULE "B": SUMMARY TABLE OF THE CASH IN US BANK ACCOUNTS OF CAL, NOR, UEC AND XBC AT THE FILING DATE	14
SCHEDULE "C": PLAN TEMPLATES	15

PREAMBLE

On July 16, 2021, EDC, as lender, and XHU, as borrower, entered into a Credit Facility Agreement (as amended by a First Amending Agreement dated October 26, 2021 and a Second Amending Agreement dated December 13, 2021, the **EDC Credit Agreement**). BLA has guaranteed the obligations of the borrower under the EDC Credit Agreement.

On September 28, 2022, the Debtors 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**). On September 29, 2022 (the **Filing Date**), the Superior Court of Québec sitting as a court designated pursuant to the CCAA (the **Court**) granted the aforementioned Application by issuing the First Day Initial Order and the Bidding Procedures Order which provided for, *inter alia*, the appointment of Deloitte Restructuring Inc. as monitor under the CCAA (the **Monitor**).

On October 27, 2022, at the Petitioners' request, the United States Bankruptcy Court for the District of Delaware (the **US Court**) issued an order recognizing, among other things, that the proceedings under the CCAA with respect to the Debtors before the Court constitute a foreign main proceeding as defined in Chapter 15 of the United States Bankruptcy Code.

EDC namely holds claims in the amount of CAD 16,910,325 (converted from USD as of the Filing 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 herein reduced by EDC 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 Filing Date in the aggregate amount of CAD 987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order (the **EDC Claim**).

EDC has a valid security interest over the assets of BLA, CAL, NOR, UEC and XBC, and holds an unsecured guarantee by CDA. EDC's security interests in cash balances held in the United States, in respect of CAL, NOR, UEC and XBC (the **US Cash Balances**), although valid, were unperfected.

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 Debtor, (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**).

EDC takes the position that the Allocated Net Proceeds for each of CAL, NOR, UEC and XBC shall be distributed to it in full as a result of the different orders of the Court. According to EDC: (a) EDC's security interests in the US Cash Balances, although unperfected, were still valid and would have priority over the claims of any general unsecured creditors under United States law; (b) US Cash Balances were used by the Debtors (in both the United States of America and Canada) to fund operating and restructuring expenses, and to permit the Debtors to operate and eventually be sold as "going concern" entities; (c) the sale and investment solicitation process authorized by the Court offered the possibility of yielding sale proceeds that would be sufficient to

pay secured creditors in full and provide a recovery to unsecured creditors; (d) for purposes of determining priority in the sale proceeds of the assets of CAL, NOR, UEC and XBC, currently held in accounts of the Monitor, the Court should only consider the various vesting and assignment orders with respect to those sales, which provide that all claims and encumbrances discharged from the purchased assets shall attach to the net proceeds from the sales of those assets with the same priority as they had with respect to those assets immediately prior to the sales, as if those assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sales; (e) no court orders expressly provides for exceptions under which EDC's status as secured creditor could be challenged; and (f) allowing unsecured creditors to share in these sales proceeds, based on the debtor's cash on hand at filing, in essence, provides the unsecured creditors an advantageous option or lookback in the CCAA process, that EDC does not receive.

The Monitor advised that it could not support the position of EDC, which would ignore the fact that its aforementioned security is unperfected and result in an unfair treatment to the unsecured creditors of each of CAL, NOR, UEC and XBC by entitling them to no distribution under this scenario.

The Debtors and EDC, with the support of the Monitor, have come to an agreement as to the sharing of the Allocated Net Proceeds for each of CAL, NOR, UEC and XBC, the whole without admission and for the sole purpose of avoiding the costs, delays, risks and inconvenience of litigation.

NOW THEREFORE in consideration of the covenants and mutual promises set forth in this Agreement (including in the recitals hereof) and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

In this Agreement, unless otherwise stated or unless the subject matter or context otherwise requires:

ACS shall mean Applied Compression Systems Ltd.

Affected Creditor shall have the meaning set forth in the Plans.

AIR shall mean Enerphase Industrial Solutions Inc.

Allocated Net Proceeds shall have the meaning set forth in the preamble.

Allocation Method shall have the meaning set forth in the preamble.

Allocation Order shall have the meaning set forth in the preamble.

BLA shall mean FormerXBC Inc. (formerly, Xebec Adsorption Inc.)

BLA Shortfall Repayment shall mean the deemed repayment by each of the applicable Debtors of the shortfall of BLA pursuant to subparagraph 51(c)(f) of the Allocation Order.

CAI shall mean 1224933 Ontario Inc. (formerly, Compressed Air International Inc.).

CAL shall mean California Compression, LLC.

CCAA shall have the meaning set forth in the preamble.

CDA shall mean CDA Systems, LLC.

Claims Procedure Order shall mean the Claims Procedure Order rendered by the Court on May 24, 2023 and recognized by the US Court pursuant to the *Order (I) Recognizing and Enforcing the Claims Procedure Order; and (II) Granting Related Relief* dated June 6, 2023.

Convenience Amount shall mean the amount of CAD 2,000, as set forth in the Plans.

Convenience Creditor shall mean, for each Debtor, an Affected Creditor holding a Proven Claim in an amount of less than, or equal to, the Convenience Amount.

Court shall have the meaning set forth in the preamble.

Debtors shall mean ACS, AIR, BLA, CAI, CAL, CDA, GNR, NOR, TIT, UEC, XBC, XHU and XSU.

EDC Claim shall have the meaning set forth in the preamble, and excludes, for greater certainty the EDC Subrogated Claim.

EDC Credit Agreement shall have the meaning set forth in the preamble.

EDC Deficiency Claim shall mean 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 CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at CAD 11,466,831 (converted from USD as of the Filing Date), as illustrated at Schedule "A" hereof, and shall be finally determined by the Monitor after the date of the Sanction Order.

EDC Secured Claim shall mean 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 herein, plus any amount of Allocated Net Proceeds of BLA. The EDC Secured Claim is currently estimated at CAD 5,443,494 (converted from USD as of the Filing Date), as illustrated at Schedule "A" hereof, and shall be finally determined by the Monitor after the date of the Sanction Order. 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 the other Debtors pursuant to paragraph 2.3 hereof.

EDC shall have the meaning set forth in the preamble.

EDC Subrogated Claim shall mean collectively EDC's revised claims in the original amounts of USD 360,000.00, CAD 2,394,010.18, and CAD 200,000 (which is contingent and related to the letter of credit issued to Enbridge) relating to the *Account Performance Security Guarantee* to NBC, guaranteeing, *inter alia*, (i) amounts of principal and interest owed to NBC by BLA pursuant

to the Letters of Guarantee Credit Facility, the whole up to the Maximum Guaranteed Amount of CAD 16,500,000, as set out and defined in the *Account PSG Certificate of Cover* dated February 9, 2022, pursuant to which EDC is subrogated in NBC's rights and interest in NBC's security, as reduced by the payments made to EDC in the amounts of CAD 2,416,988.69 and CAD 261,813.48 pursuant to the Agreement in Respect of the Release of Surplus Funds Held in a NBC's Suspense Account and of Funds Held in a Monitor's Trust Account dated October 23, 2023. For greater certainty, the EDC Subrogated Claim is considered by the Monitor in order to arrive at the final determination of the Allocated Net Proceeds, as determined by subparagraph 51(c)(c) of the Allocation Order.

Employee Priority Claims shall mean, for each Debtor, all unpaid amounts, if any, provided for in Section 6(5)(a) of the CCAA, and claims for unpaid wages, salaries, commissions or compensation for services rendered by employees after the Filing Date and on or before the date of the implementation of the Plan.

Filing Date shall have the meaning set forth in the preamble.

GNR shall mean 11941666 Canada Inc. (formerly, Xebec RNG Holdings Inc.).

Meeting Order shall mean an Order of the Court directing the calling and holding of one or more meeting(s) of the creditors of the Debtors, and authorizing the filing of the Plans by the Debtors.

Meeting shall have the meaning set forth in the Meeting Order.

Monitor shall have the meaning set forth in the preamble.

NBC shall mean National Bank of Canada.

NOR shall mean FormerXBC NOR Corporation (formerly, Nortekbelair Corporation).

Parties shall mean EDC and the Debtors; Party shall mean one of them.

Plans shall mean the plans of arrangement filed by ACS, AIR, CAI, CAL, CDA, NOR, TIT, UEC, XBC, XHU and XSU pursuant to the CCAA, as amended or supplemented, as the case may be, including the plans of arrangement contemplated by this Agreement, in accordance with the Plan Templates; **Plan** shall mean one of them.

Plan Templates shall mean the templates attached hereto as Schedule "C", as same may be amended by the Debtors from time to time with the consent of the Monitor and EDC acting reasonably.

Proceeds from transaction shall be the amount of the proceeds allocated to a Debtor in accordance with the Allocation Method and subparagraph 51(a) of the Allocation Order.

Proven Claim shall have the meaning set forth in the Plans.

Sanction Orders means orders made by the Court, among other things, to sanction, authorize and approve the Plans.

TIT shall mean FormerXBC Pennsylvania Company (formerly, The Titus Company).

UEC shall mean FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC).

US Case shall mean 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 US Court under Case No. 22-10934 (KBO).

US Cash Balances shall have the meaning set forth in the preamble.

US Cash on Filing Date shall mean, for each Debtor, the aggregate amount of cash held in US bank accounts at the Filing Date, as set forth at Schedule "B" hereto.

US Court shall have the meaning set forth in the preamble.

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

XBC shall mean FormerXBC Flow Services – Wisconsin Inc. (formerly, XBC Flow Services – Wisconsin Inc.).

XHU shall have the meaning set forth in the preamble.

XSU shall mean FormerXBC Adsorption USA Inc. (formerly, Xebec Adsorption USA Inc.).

ARTICLE 2 DISTRIBUTIONS

2.1 Distribution Proceeds

2.1.1 CAL, NOR, UEC and XBC

CAL, NOR, UEC and XBC shall each file a Plan providing for the distribution to their unsecured creditors and to EDC as secured creditor of the Allocated Net Proceeds, the BLA Shortfall Repayment and the dividends received pursuant to any Plan of the other Debtors, as follows:

$$\text{Amount distributed to the unsecured creditors} = \left(\text{Allocated Net Proceeds} + \text{BLA Shortfall Repayment} \right) \times \frac{\text{US Cash on Filing Date}}{\text{Proceeds from transaction} + \text{US Cash on Filing Date}}$$

$$\text{Amount distributed on account of the EDC Secured Claim} = \left(\text{Allocated Net Proceeds} + \text{BLA Shortfall Repayment} \right) \times \frac{\text{Proceeds from transaction}}{\text{Proceeds from transaction} + \text{US Cash on Filing Date}} + \text{dividends received pursuant to any Plan of the other Debtors}$$

In all cases, the amount to be distributed to the unsecured creditors from the Allocated Net Proceeds shall never exceed the relevant Debtor's US Cash on Filing Date.

With respect to the Plan filed by XBC, to the extent that the amount to be distributed to the unsecured creditors calculated pursuant to the above formula is insufficient to make the distribution referred to at clause 2.2.1 a) hereof in whole, the amount to be distributed to the unsecured creditors shall be increased to be sufficient to make such distribution by a portion of the BLA Shortfall Repayment of XBC and/or dividends received pursuant to any Plan of the other Debtors.

An illustration of such sharing of the Allocated Net Proceeds, BLA Shortfall Repayment and dividends received from other Debtors between the secured and unsecured creditors is appended as Schedule "A" hereto.

2.1.2 ACS, AIR, CAI, CDA, TIT, XHU and XSU: Distribution Proceeds

ACS, AIR, CAI, CDA, TIT, XHU and XSU shall each file a Plan providing for the distribution of the Allocated Net Proceeds, the BLA Shortfall Repayment and the dividends it receives pursuant to any Plan of the other Debtors.

2.2 Distribution Methods

2.2.1 ACS, AIR, CAL, CDA, NOR, TIT, UEC, XBC, XHU and XSU

Pursuant to each Plan filed by ACS, AIR, CAL, CDA, NOR, TIT, UEC, XBC, XHU and XSU, the distribution to unsecured creditors shall be:

- 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.

2.2.2 CAI

Pursuant to the Plan filed by CAI, the distribution to unsecured creditors and to the shareholder shall be:

- a) to each Affected Creditor, the amount of its Proven Claim and interest thereon at the rate of 5% per annum calculated from the Filing Date to the date of the Meeting Order; and
- b) to BLA, as shareholder of CAI.

2.3 BLA

BLA, or the Monitor on its behalf, shall remit (i) any Allocated Net Proceeds, (ii) any distribution it receives as shareholder of GNR and of CAI, and (iii) any distribution it may receive pursuant to any Plan of the other Debtors as follows:

- a) first, in payment in full of any Employee Priority Claims of BLA; and
- b) second, in payment of the EDC Claim.

ARTICLE 3 SUPPORT

EDC shall:

- a) vote or cause to be voted all of its claims against the Debtors to accept the Plans by delivering duly executed and completed ballots accepting the Plans on a timely basis;

- b) use commercially reasonable efforts to cooperate with and assist the Debtors in obtaining additional support for the Plans from the Debtors' other stakeholders;
- c) act in good faith and take (and cause its agents, representatives, and employees to take) all actions that are reasonably necessary or appropriate, and all actions required by the CCAA Court and/or the US Court, to support and achieve sanctioning and implementation of the Plans;
- d) not object to, delay, impede, or take any other action to interfere with sanctioning, consummation, or implementation of the Plans or this Agreement;
- e) not file any motion, application, pleading, or other document with the Court, the US Court or any other court that, in whole or in part, is not materially consistent with the Plans and this Agreement;
- f) not exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any of the EDC Claim, the EDC Subrogated Claim or interests in the Debtors; and
- g) not assign, sell, or otherwise dispose of the EDC Claim, the EDC Subrogated Claim or any part thereof to a third party.

ARTICLE 4 CONDITIONS AND TERMINATION

4.1 Conditions

This Agreement is conditional upon the following conditions, which are to the mutual benefit of all Parties:

- a) Approval of this Agreement by the Court; and
- b) Issuance of the Meeting Order.

4.2 Termination

This Agreement may be terminated by any of the Debtors or EDC in the event that all of the following conditions do not occur:

- a) Approval of the Plans by the required majority of creditors;
- b) Issuance of all of the Sanction Orders; and
- c) Recognition of the Sanction Orders by the US Court.

ARTICLE 5 FEES

The reasonable fees and disbursements of EDC's financial advisor (Richter Inc.) and legal advisor (Norton Rose Fulbright Canada LLP for services in Canada and in the United States of America) for the period from May 8, 2023 to the date of the implementation of the Plans shall be paid within two business days of the date of the Meeting Order. Future invoices shall be paid within 10 days

from receipt of a copy of said invoices. These fees and disbursement shall be paid as, and form part of, the Restructuring Costs (as defined in the Allocation Method).

ARTICLE 6 IMPLEMENTATION

6.1 Plans

The Debtors shall use reasonable efforts to meet the following deadlines:

- a) filing and notification of an application seeking a meeting and plans filing order: October 25, 2023.
- b) Meeting Order: October 31, 2023.
- c) Meeting(s): November 30, 2023.
- d) filing and notification of an application seeking Sanction Orders: December 8, 2023.
- e) Issuance of the Sanction Orders: December 15, 2023.
- f) Recognition of the Sanction Orders by the US Court: January 15, 2024.

ARTICLE 7 GENERAL

7.1 Intervention of the Monitor

The Monitor is executing this Agreement only to confirm its acknowledgement and consent hereto, solely in its capacity as Monitor and not in its personal or corporate capacity.

7.2 Authority

By executing this Agreement, the parties warrant that this Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation, enforceable in accordance with its terms.

7.3 Applicable law

This Agreement shall be construed in accordance with and governed by the laws of the Province of Québec and the federal laws of Canada applicable therein.

7.4 Jurisdiction of the Court

Any action brought to enforce the terms of this Agreement shall be brought before the Court. The Court has jurisdiction over any disputes or litigation arising under or relating to this Agreement. Each of the Parties to this Agreement hereby expressly submits to the jurisdiction of Court, for the purpose of any such litigation as set forth above and agrees to be bound by any judgment rendered thereby in connection with such litigation.

7.5 Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument; any party may execute this Agreement by signing any counterpart of it.

7.6 English

The parties hereby acknowledge that they have required that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de la présente entente ainsi que de tous documents, avis et procédures directement ou indirectement reliés à cette entente.*

[signature page follows]

EXPORT DEVELOPMENT CANADA



per: Adam Charles Caswell Smith,
Special Risks Manager

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



per: Dimitrios Vounassis



per: Mark Doyle, Sr. Special Risks
Manager

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



per: Dimitrios Vounassis

**APPLIED COMPRESSION SYSTEMS
LTD.**



per: Dimitrios Vounassis

CALIFORNIA COMPRESSION, LLC



per: Dimitrios Vounassis

CDA SYSTEMS, LLC



per: Dimitrios Vounassis

**ENERPHASE INDUSTRIAL
SOLUTIONS INC.**



per: Dimitrios Vounassis

**FORMERXBC ADSORPTION USA INC.
(FORMERLY, XEBEC ADSORPTION USA
INC.)**



per: Dimitrios Vounassis

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



per: Dimitrios Vounassis

**FORMERXBC HOLDING USA INC.
(FORMERLY, XEBEC HOLDING USA
INC.)**



per: Dimitrios Vounassis

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



per: Dimitrios Vounassis

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



per: Dimitrios Vounassis

**FORMERXBC PENNSYLVANIA
COMPANY (FORMERLY, THE TITUS
COMPANY)**



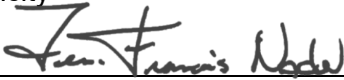
per: Dimitrios Vounassis

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



per: Dimitrios Vounassis

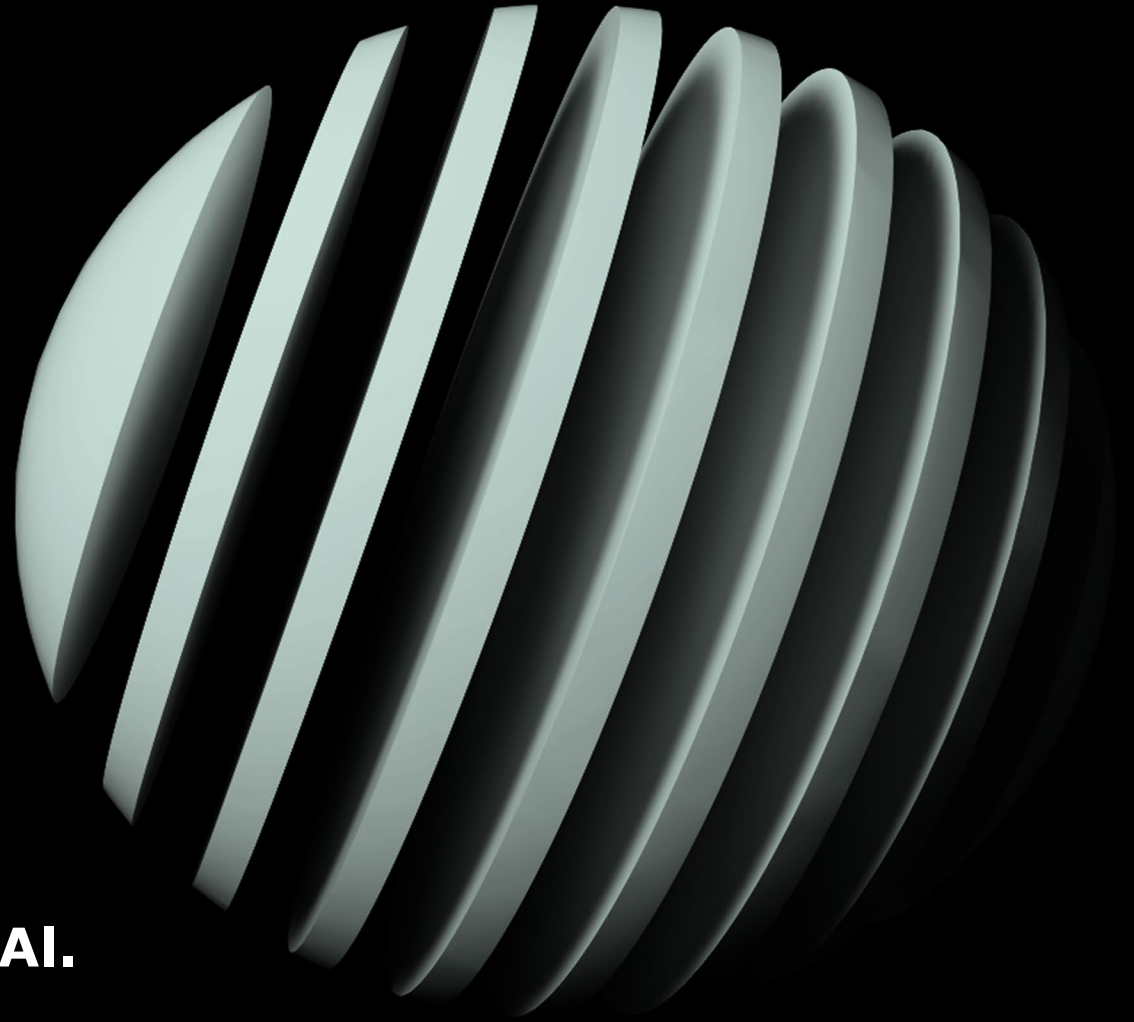
DELOITTE RESTRUCTURING INC.,
acting as the Monitor of the Debtors
and not in its personal or corporate
capacity



per: Jean-François Nadon

SCHEDULE "A": ILLUSTRATION OF THE DISTRIBUTIONS TO CREDITORS UNDER THE PLANS

[See attached]



**FORMERXBC INC.
(formerly, Xebec Adsorption Inc.) & AI.
Estimated Distribution
October 26, 2023**

Introduction & Restrictions

This document is subject to the following restrictions and limitations:

- Further to the Order to Approve a Proposed Allocation Plan approving the proposed methodology to allocate, for each Petitioner, (i) the sale proceeds held in trust by Deloitte Restructuring Inc. ("**Deloitte**" or 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**") approved by the CCAA Court on June 29, 2023, the Monitor has prepared the attached Estimated Distribution of the Allocated Net Proceeds and certain other funds (the "**Estimated Distribution**") in respect of Former XBC Inc. (formerly Xebec Adsorption Inc.) and the other Petitioners (collectively, "Xebec" or the "Company") as part of the ongoing proceedings under the Companies' Creditors Arrangement Act (Canada) (the "CCAA") supervised by the Superior Court of Québec (the "Court")
- The CCAA proceedings were initiated by a First Day Initial Order rendered on September 29, 2022 (the "**Filing Date**"), pursuant to which, namely, Deloitte was appointed as Monitor. The First Day Initial Order has been extended, amended and restated by orders of the Court rendered from time to time, including by the Fifth Amended and Restated Initial Order dated March 27, 2023 (the "**Fifth ARIO**").
- This Estimated Distribution was prepared by the Monitor with the assistance of Xebec's management and based on available information from Xebec and from the CCAA proceedings.
- Readers should be cautioned that this report presents the Estimated Distribution, and not the final amounts available for distribution to creditors. In this report, the Estimated Distribution contains certain amounts that are estimates and accordingly will be subsequently adjusted based on future events, transactions and actual receipts and disbursements. The final calculation will be presented to the Court in due time prior to a distribution to the creditors, further to, or at the time of, the sanction of plans of compromise, as the case may be.
- Moreover, be advised that the Estimated Distribution does not currently take into account certain elements, including without limitation:
 - The professional fees and costs to be incurred after December 16, 2023 to the end of the file, including with respect to the monetization of certain remaining assets, the determination of the various creditors' rights, the distributions to the various creditors (as part of plans of arrangement or otherwise), and the orderly wind-down of the various entities, other than by including a theoretical amount corresponding to the amount the Administration Charge granted by the CCAA Court;
 - The impact of actuals costs in comparison with the projections for the period from September 17, 2023 to December 16, 2023;
 - The potential post-filing claims that may be made against the Petitioners;
 - The review of certain proofs of claim which is ongoing, and potential appeals of the decisions of the Monitor on the review of proofs of claim;
 - The potential adjustments of the Petitioners' books and records; and
 - The potential impact of the foreign exchange rates on the calculation.

Introduction & Restrictions

This document is subject to the following restrictions and limitations:

- The Estimated Distribution does not constitute an opinion and/or an admission whatsoever from the Monitor in respect to the potential recovery of any party and may not be interpreted or used as such.
- Without limiting the foregoing and in preparing the Estimated Distribution, 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**"). Except as described herein:
 - 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
 - Some of the information referred to in this Estimated Distribution consists of estimates, forecasts and projections. An examination or review of the financial estimates, forecasts and projections has not been performed.
- Future oriented financial information referred to in this Estimated Distribution, including in respect of professional fees and restructuring costs, was prepared based on the cash flow projections for the period ending December 16, 2023 filed with the Court pursuant to Management's estimates and assumptions, and adding the theoretical amount of the Administration Charge for the period from and after December 16, 2023 for which there are no cash flow projections yet. 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.
- Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Estimated Distribution concerning the Petitioners and their business is based on the Information, and not independent factual determinations made by the Monitor.
- Unless otherwise indicated, all amounts are presented in Canadian dollars. In addition, due to the fact that some information is presented in thousands of dollars, there might be some rounding differences in this presentation, that will however not materially impact the final calculation.
- Unless otherwise indicated and where applicable, amounts denominated in foreign currencies were converted with the foreign exchange rate as at September 15, 2023 per the Bank of Canada.

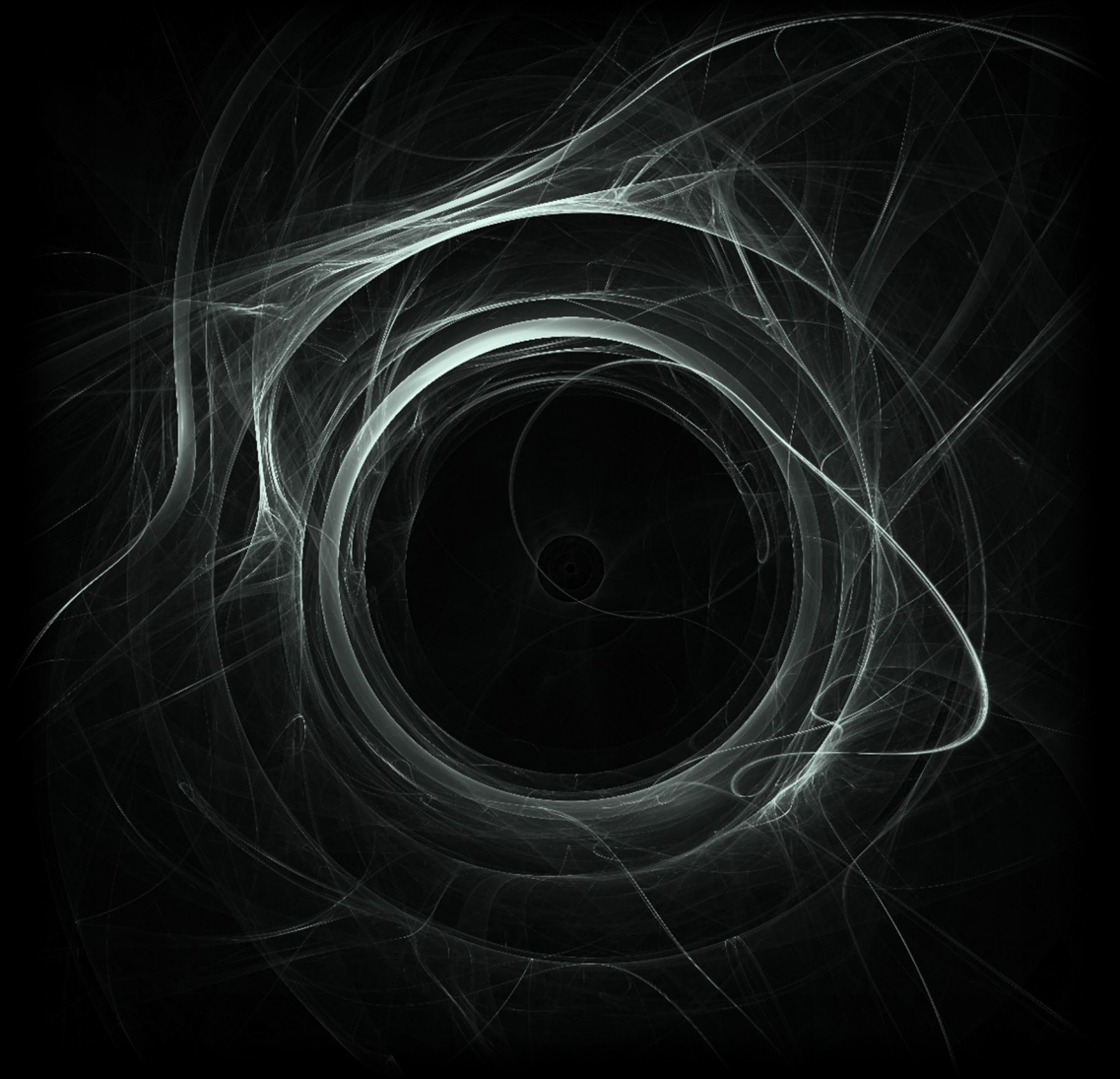
Definitions

- **BLA Shortfall Repayment:** Shall mean the deemed repayment by each of the applicable Debtors of the shortfall of BLA pursuant to subparagraph 51(c)(f) of the Allocation Order.
- **Convenience Amount:** Shall mean the amount of \$2,000, as set forth in the Plans.
- **Convenience Class ("CC"):** Payment, to each Convenience Creditor, of the lesser of the amount of its proven claim or the Convenience Amount, and, to each affected creditor that is not a Convenience Creditor, an amount equal to the Convenience Amount;
- **Convenience Creditor:** Shall mean, for each Petitioner, an affected creditor holding a proven claim in an amount less than, or equal to, the Convenience Amount.
- **DIP Financing or Interim Financing:** The First DIP from EDC and NBC and the Second and Third DIP from EDC approved by the Court during the CCAA proceedings, for a total principal amount of \$8.95M and secured by a court-ordered charge.
- **EDC Claim:** Shall mean claims of EDC in the amount of CAD 16,910,325 (converted from USD as of the Filing 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 herein reduced by EDC 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 Filing Date in the aggregate amount of CAD 987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order.
- **EDC Deficiency Claim:** Shall mean 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 CDA, CAL, NOR, UEC, XBC and XHU.
- **EDC Secured Claim:** EDC Secured Claim shall mean, as defined in the EDC Support Agreement, 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 EDC Support Agreement, plus any amount of Allocated Net Proceeds of BLA. The EDC Secured Claim is currently estimated at CAD 5,443,494 (converted from USD as of the Filing Date), as illustrated in current document, and shall be finally determined by the Monitor after the date of the Sanction Order. 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 the other Debtors pursuant to paragraph 2.3 of the EDC Support Agreement.
- **EDC Subrogated Claim:** Shall mean collectively EDC's revised claims in the original amounts of USD 360,000.00, CAD 2,394,010.18, and CAD 200,000 (which is contingent and related to the letter of credit issued to Enbridge) relating to the Account Performance Security Guarantee to NBC, guaranteeing, inter alia, (i) amounts of principal and interest owed to NBC by BLA pursuant to the Letters of Guarantee Credit Facility, the whole up to the Maximum Guaranteed Amount of CAD 16,500,000, as set out and defined in the Account PSG Certificate of Cover dated February 9, 2022, pursuant to which EDC is subrogated in NBC's rights and interest in NBC's security, as reduced by the payments made to EDC in the amounts of CAD 2,416,988.69 and CAD 261,813.48 pursuant to the Agreement in Respect of the Release of Surplus Funds Held in a NBC's Suspense Account and of Funds Held in a Monitor's Trust Account dated October 23, 2023.
- **Filing Date:** September 29, 2022, being the date of the First Day Initial Order rendered by the Court.
- **Intercompany Transactions:** The intercompany monetary transfers, intercompany sales and purchases (unpaid) and corporate overhead recharges since the Filing Date. This includes all Intercompany Transactions defined in the Fifth ARI0, other than the restructuring costs, the Secured Debt Reimbursements and the interim financing receipts and repayments.
- **KERP:** Key employee retention plan approved by the Court and paid to key employees and secured by a prior ranking charge.
- **Petitioners / Debtors:** Debtors and petitioners subject to the protection of the Court as detailed in the Initial Order and in the Subsequent Amended and Restated orders rendered by the Court, including the Fifth ARI0. Refer to Appendix E for the naming convention and entity codes.

Definitions

- **Proceeds from transactions:** Shall mean the amount of the proceeds allocated to a Debtor in accordance with the Allocation Method and subparagraph 51(a) of the Allocation Order. This includes all of the sale transactions involving the Petitioners for which the proceeds were received by the Monitor, as well as the estimated impact of the BLA recovery from Xebec UK further to the Xebec UK transaction realized as part of the SISP and the subrogation of Xebec UK in the rights of NBC.
- **Restructuring Costs:** Include the professional fees (Petitioners' counsel in Canada, the U.S. and the foreign jurisdictions, Monitor, Monitor's counsel in Canada and in the U.S., NBC's counsel in Canada, in the U.S. and in the U.K., NBC's financial advisor, EDC's counsel in Canada and in the U.S, EDC's financial advisor), the fees of National Bank Financial as part of the SISP (monthly fee and Transaction Fee), the interest and fees on the DIP Financing, the KERP, as well as BLA and XSU disbursements since the month of May 2023.
- **Secured Debt Reimbursements:** The reimbursements of capital, interest and fees made to NBC since the Filing Date and the reimbursements of capital (after recharacterization of all amounts paid as capital reimbursements) made to EDC since the Filing Date, excluding reimbursements under the Interim Financing. This also includes the estimated impact of the reimbursement of Xebec UK as subrogated in the rights of NBC as well as the estimated future repayments of the outstanding letters of credit.
- **SISP:** Sale and Investment Solicitation Process ("SISP") approved by the Court.
- **Entity Naming Convention:** Please refer to **Appendix E** for full list of Group Naming Convention and Entity Codes

Xebec Estimated Distribution



Xebec – Estimated Distribution

Executive Summary – Estimated Distribution overview

XEBEC ADSORPTION INC. & AI. Estimated Distribution As at September 15, 2023 - In thousands CAD	Consolidated All Petionners	EDC		EDC			EDC		EDC		EDC			
		Petitioners												
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU	XHU
Allocated Net Proceeds	14,479	1,329	1,662	-	1,334	1,137	4,715	296	698	1,431	30	1,596	235	13
Amounts distributed on the account of the EDC Secured Claim	(5,443)	-	(1,533)	-	-	-	(2,506)	(287)	-	(1,117)	-	-	-	-
Remaining Allocated Net Proceeds	9,035	1,329	129	-	1,334	1,137	2,209	10	698	314	30	1,596	235	13
Convenience class ("CC")														
Unsecured - External Others	(402)	(11)	(36)	-	-	(44)	(191)	(18)	(31)	(39)	-	(20)	(6)	(6)
Unsecured - External EDC	(12)	(2)	(2)	-	-	-	(2)	(2)	-	(2)	-	-	-	(2)
Unsecured - Interco	(57)	(6)	(8)	-	-	(4)	(4)	(8)	(4)	(12)	-	(5)	(4)	(2)
Total - CC payment	(471)	(19)	(46)	-	-	(48)	(197)	(28)	(35)	(53)	-	(25)	(10)	(10)
Remaining Allocated Net Proceeds	8,564	1,309	83	-	1,334	1,090	2,012	(19)	663	261	30	1,572	225	3
Unsecured distributions under other debtors' plans (CC payments)	57	4	3	18	-	2	4	4	2	2	-	2	14	2
Unsecured distributions under other debtors' plans (other than CC payments)	5,307	6	3	3,798	-	203	1	18	-	1	-	3	1,238	36
BLA Shortfall Repayment	(0)	182	92	(551)	64	16	78	18	57	3	1	41	-	-
Distribution to BLA as shareholder	0	-	-	91	(60)	-	-	-	-	-	(31)	-	-	-
Remaining Allocated Net Proceeds & amounts received from other debtors	13,928	1,501	182	3,355	1,338	1,311	2,096	21	721	267	1	1,618	1,477	41
Additional EDC Secured Claim collections from dividends under other debtors' plans	(3,520)	-	(91)	(3,355)	-	-	(47)	(21)	-	(6)	-	-	-	-
Remaining Allocated Net Proceeds	10,407	1,501	90	-	1,338	1,311	2,049	0	721	261	1	1,618	1,477	41
Unsecured - External Others	(2,615)	(3)	(6)	-	(420)	(240)	(1,005)	-	(440)	(19)	-	(457)	(23)	(1)
Unsecured - External EDC	(2,486)	(1,392)	(72)	-	-	-	(823)	-	(0)	(189)	0	0	-	(10)
Unsecured - Interco	(5,307)	(106)	(12)	-	(918)	(1,071)	(220)	-	(281)	(53)	(1)	(1,160)	(1,454)	(30)
Total - Unsecured creditors distribution	(10,407)	(1,501)	(90)	-	(1,338)	(1,311)	(2,049)	-	(721)	(261)	(1)	(1,618)	(1,477)	(41)
Remaining Allocated Net Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured creditors - Total recovery including CC payments														
Unsecured - External Others	(3,017)	(15)	(42)	-	(420)	(284)	(1,196)	(18)	(471)	(58)	-	(477)	(29)	(7)
Unsecured - External EDC	(2,498)	(1,394)	(74)	-	-	-	(825)	(2)	(0)	(191)	0	0	-	(12)
Unsecured - Interco	(5,363)	(112)	(20)	-	(918)	(1,075)	(224)	(8)	(285)	(65)	(1)	(1,165)	(1,458)	(32)
Total	(10,879)	(1,521)	(136)	-	(1,338)	(1,358)	(2,246)	(28)	(756)	(314)	(1)	(1,642)	(1,487)	(51)
Unsecured creditors - Total recovery including CC payments (%)														
Unsecured - External Others		37.3%	4.6%	0.0%	105.4%	36.9%	8.4%	2.6%	34.0%	5.0%	0.0%	86.2%	26.0%	0.7%
Unsecured - External EDC		12.2%	0.6%	0.0%	0.0%	0.0%	7.2%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.1%
Unsecured - Interco		12.7%	1.0%	0.0%	105.4%	33.2%	7.3%	0.2%	32.8%	2.0%	100.0%	85.7%	21.8%	0.1%
Total		12.3%	1.0%	0.0%	105.4%	33.9%	7.8%	0.2%	33.6%	2.0%	100.0%	85.8%	21.9%	0.1%
Unsecured - External Others - less than 10,000		48.3%	38.8%	0.0%	105.4%	78.0%	49.3%	61.0%	68.0%	42.1%	0.0%	90.1%	43.2%	0.0%
Unsecured - External Others - between 10,000-25,000		28.2%	14.3%	0.0%	0.0%	40.2%	18.6%	8.9%	41.1%	13.4%	0.0%	87.8%	0.0%	9.1%
Unsecured - External Others - between 25,000-50,000		0.0%	6.3%	0.0%	105.4%	37.5%	12.4%	0.0%	36.8%	7.6%	0.0%	0.0%	25.7%	0.0%
Unsecured - External Others - between 50,000-100,000		0.0%	4.1%	0.0%	105.4%	34.9%	9.8%	2.2%	34.4%	4.2%	0.0%	86.0%	24.2%	0.0%
Unsecured - External Others - over 100,000		0.0%	1.2%	0.0%	105.4%	33.8%	7.5%	0.7%	33.0%	2.4%	0.0%	85.8%	0.0%	0.5%
Total		37.3%	4.6%	0.0%	105.4%	36.9%	8.4%	2.6%	34.0%	5.0%	0.0%	86.2%	26.0%	0.7%

Xebec – Estimated Distribution

Executive Summary – EDC distribution overview

EDC - Distribution overview		
As at September 15, 2023 - In thousands CAD		
	Notes	Distribution
EDC Subrogated Claim		
Drawn LC		(491)
Drawn LC - London RNG (Subject to Court decision or settlement)	1	(2,394)
Outstanding LC		(200)
Total - EDC Subrogated Claim	A	(3,085)
EDC Claim		
Amounts distributed on the account of the EDC Secured Claim	2	(5,443)
Additional EDC Secured Claim collections from dividends under other debtors' plans	3	(3,520)
Unsecured - External EDC	4	(2,486)
Unsecured - External EDC - Convenience Class	4	(12)
Total - EDC Claim	B	(11,462)
EDC - Amounts collected post-filing from the Debtors' bank accounts		
EDC - Secured debt - Reimbursement		(1,007)
EDC - Secured debt - Fees and Interest (Capital reimbursement)	5	(988)
Total - EDC - Amounts collected post-filing from the Debtors' bank accounts	C	(1,995)
Total - EDC projected distribution	ΣA to C	(16,541)
EDC outstanding debt as at Filing Date (before post filing capital reimbursement)	6	21,993
EDC - Global recovery %		75.2%

Notes

- Pursuant to the Order Directing Payment in Trust to the Court-Appointed Monitor rendered on March 16, 2023, funds totalling \$2.4M in relation to the Letter of Credit OGUA58735 (the "LRNG LC") are currently held as a reserve in a distinct trust account until determination of the parties' respective rights under the LRNG 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.
- Result of the sharing of the Allocated Net Proceeds between the secured and unsecured creditors for CAL, UEC, XBC and NOR, as further detailed in the following pages.
- Subsequent amount distributed on the account of the EDC secured claim however resulting of the collection from the unsecured creditors distribution.
- EDC collections as an unsecured creditor.
- Post-filing interest paid to EDC are being recharacterized as capital reimbursements since EDC will not recover 100% of the pre-filing amounts owed.
- EDC Claim (\$17.9M CAD) + EDC Subrogated Claim as detailed above (\$3.1M CAD) + Capital reimbursements collected from the Debtors' bank accounts (\$1.0M CAD).

Xebec – Estimated Distribution

Allocated Net Proceeds

XEBEC ADSORPTION INC. & AI. Estimated Distribution As at September 15, 2023 - In thousands CAD	Consolidated All Petitioners	EDC		EDC			EDC		EDC		EDC		EDC	
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU	XHU
Allocated Net Proceeds														
Updated version with the information as of September 15, 2023	14,479	1,329	1,662	-	1,334	1,137	4,715	296	698	1,431	30	1,596	235	13
Version presented to Court on June 2023	14,123	1,355	1,766	-	1,457	1,133	4,356	306	696	1,443	33	1,529	37	13
Variance - Favorable (Unfavorable)	356	(26)	(103)	-	(122)	5	359	(10)	2	(11)	(3)	67	198	(0)

- ✓ Projected consolidated Allocated net proceeds available are higher than the version under seal initially projected and as presented to Court in June 2023. The version under seal included the Biostream and Western Midstream transactions (Exhibit M-3 to the Monitor’s Application to approve the Allocation Method).
- ✓ Variances are mainly explained as follows:
 - ✓ **CAI:** Certain unbudgeted post-filing obligations were disbursed during the summer 2022;
 - ✓ **UEC:** Favorable variance due to lower disbursements, in part pursuant to the Western Midstream transaction which assumed some liabilities related to the project;
 - ✓ **AIR:** Higher collections than initially forecasted;
 - ✓ **XSU:** Favorable variance due to lower disbursements and certain unbudgeted credits collected from suppliers.

Xebec – Estimated Distribution

Sharing of the Allocated Net Proceeds and BLA Shortfall Repayment

EDC Security - US Petitioners		EDC	EDC	EDC	EDC	
Sharing of the Allocated Net Proceeds and dividends received from other debtors' plans		CAL	UEC	XBC	NOR	Total
As at September 15, 2023 - In thousands CAD		Notes				
Key Information supporting the calculation						
Allocated Net Proceeds			1,662	4,715	296	1,432
BLA Shortfall Repayment	1		92	78	18	3
Proceeds from transaction			7,712	6,524	1,477	209
US Cash on Filing Date			650	5,750	50	314
			8,362	12,274	1,527	523
Main Scenario - Sharing of the Allocated Net Proceeds and dividends						
Proceeds from transaction			92.23%	53.15%	96.73%	39.96%
US Cash on Filing Date			7.77%	46.85%	3.27%	60.04%
Total			100.00%	100.00%	100.00%	100.00%

Sharing of the Allocated Net Proceeds and dividends

Amounts distributed on the account of the EDC Secured Claim			1,533	2,506	287	1,117	5,443
Amount distributed to the unsecured creditors - Before BLA Shortfall Repayment			129	2,209	10	314	2,662
			1,662	4,715	297	1,431	8,105
Additional EDC Secured Claim collections from dividends under other debtors' plans			85	42	17	3	146
Amount distributed to the unsecured creditors - BLA Shortfall Repayment impact	2		7	37	1	-	44
			92	78	18	3	191

Sharing of the Allocated Net Proceeds and dividends - Impact on the distribution

Amounts distributed on the account of the EDC Secured Claim			1,533	2,506	287	1,117	5,443
Additional EDC Secured Claim collections from dividends under other debtors' plans	1		85	42	17	3	146
			1,618	2,548	304	1,120	5,589
Amount distributed to the unsecured creditors - Before BLA Shortfall Repayment			136	2,246	11	314	2,706
			1,754	4,793	315	1,434	8,296

Notes

- BLA Shortfall Repayment is taking place following the dividends received pursuant to the Plans of other Debtors, as part of the distributions to unsecured creditors. This reimbursement is however associated to the shortfall prior to the allocation of the net proceeds. Consequently, the BLA Shortfall Repayment is treated in a "sharing" base similar to a scenario where BLA would have had sufficient funds to cover for all the shortfall in the first place.
- The amount to be distributed to the unsecured creditors from the Allocated Net Proceeds shall never exceed the relevant Debtor's US Cash on Filing Date. Therefore, BLA shortfall allocation in NOR is fully allocated to EDC Secured Claim.

Sharing of the Allocated Net Proceeds and dividends received from other Debtors' Plans

$$\begin{aligned}
 &\text{Amount distributed on account of the EDC Secured Claim} = \left(\text{Allocated Net Proceeds} + \text{BLA Shortfall Repayment} \right) \times \frac{\text{Proceeds from transaction} + \text{US Cash on Filing Date} + \text{dividends received pursuant to any Plan of the other Debtors}}{\text{Proceeds from transaction} + \text{US Cash on Filing Date}} \\
 &\quad \downarrow \\
 &\text{Amount distributed to the unsecured creditors} = \left(\text{Allocated Net Proceeds} + \text{BLA Shortfall Repayment} \right) \times \frac{\text{US Cash on Filing Date}}{\text{Proceeds from transaction} + \text{US Cash on Filing Date}} \\
 &\quad \downarrow \\
 &\text{Max cash on hand at Filing date}
 \end{aligned}$$

Xebec – Estimated Distribution

EDC distribution as a secured lender

EDC - Deficiency claim calculation As at September 15, 2023 - In thousands CAD	Petitioners					
	CDA	CAL	UEC	XBC	NOR	XHU
EDC - Deficiency Claim calculation						
EDC Claims - Secured and Unsecured	EDC	EDC	EDC	EDC	EDC	EDC
EDC Claim (USD)	13,057	13,057	13,057	13,057	13,057	13,057
FX rate at Filing Date	1.3707	1.3707	1.3707	1.3707	1.3707	1.3707
EDC Claim (converted to CAD)	17,897	17,897	17,897	17,897	17,897	17,897
EDC - Secured debt - Fees and Interest (Capital reimbursement)	(988)	(988)	(988)	(988)	(988)	(988)
Proven Claim	16,909	16,909	16,909	16,909	16,909	16,909
Amounts distributed on the account of the EDC Secured Claim	(5,443)	(5,443)	(5,443)	(5,443)	(5,443)	(5,443)
Deficiency Claim	11,466	11,466	11,466	11,466	11,466	11,466

Deficiency Claim: EDC Deficiency Claim shall mean the unsecured portion of the EDC Claim, being the amount of the EDC Claim, minus the amount of the EDC Secured Claim as defined herein, for voting and distribution purposes as unsecured creditor under the Plans of CDA, CAL, UEC, XBC, NOR and XHU.

- ✓ Calculated on the following entities (CAL, UEC, XBC and NOR).
- ✓ EDC also has an unsecured claim against in CDA and XHU.
- ✓ Interest paid to EDC since the Filing Date are being recharacterized as capital reimbursement since EDC will not recover 100% of the amounts due pre-filing. These amounts were deducted from the claim amounts to determine the deficiency claim.
- ✓ Amounts distributed on the account of the EDC Secured Claim resulting from the sharing of the Allocated Net Proceeds and BLA Shortfall Repayment between the secured and unsecured creditors for CAL, UEC, XBC and NOR are detailed in the prior page.

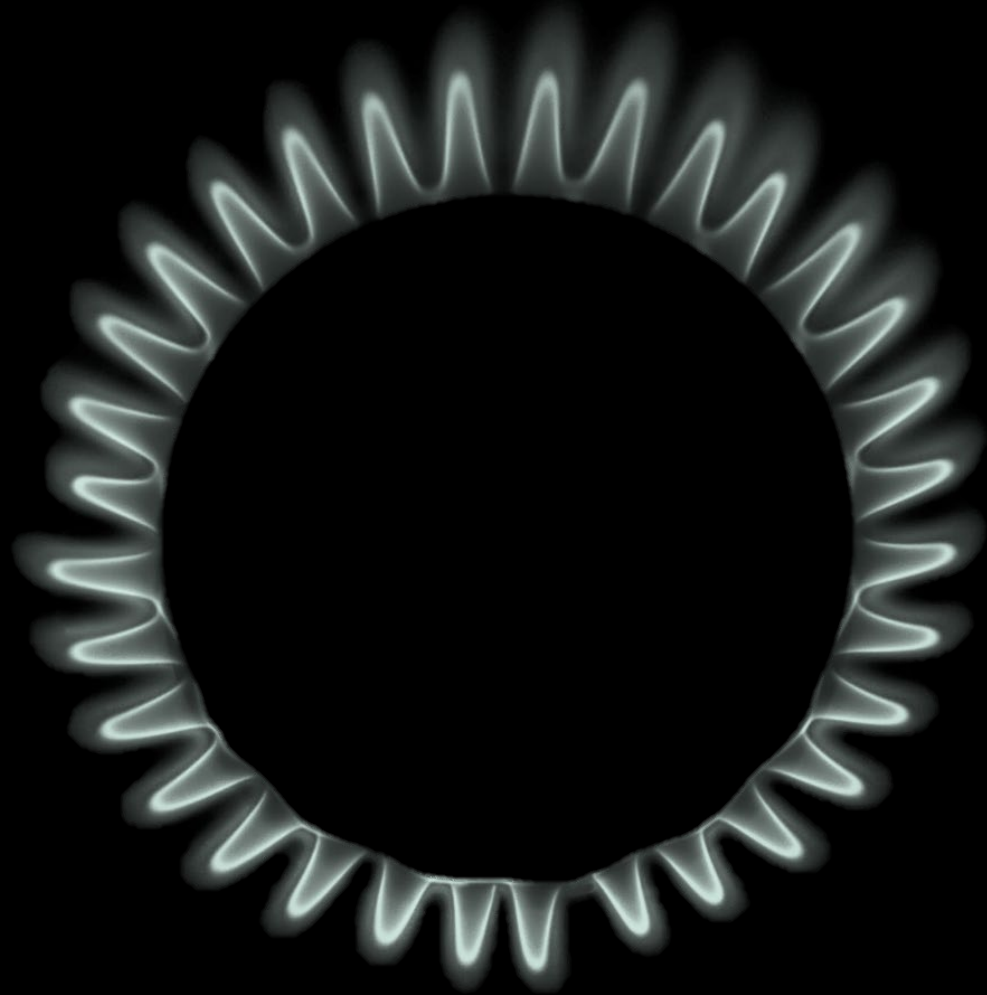
Xebec – Estimated Distribution

Convenience Class

XEBEC ADSORPTION INC. & AI. Convenience Class payment As at September 15, 2023 - In thousands CAD	Consolidated All Petionners	EDC												
		Petionners					EDC			EDC				
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU	XHU
Convenience Class ("CC")														
Unsecured claims - Proven Claims (Before CC payments)														
Unsecured - External Others	90,368	40	907	69,226	399	769	14,197	698	1,384	1,160	-	554	112	921
Unsecured - External EDC	80,268	11,467	11,467	11,467	-	-	11,467	11,467	-	11,467	-	-	-	11,467
Unsecured - Interco	80,558	876	1,967	18,929	918	3,236	3,070	4,178	865	3,209	1	1,355	6,671	35,284
Total - \$		12,383	14,341	99,622	1,317	4,005	28,734	16,343	2,249	15,836	1	1,909	6,783	47,672
Unsecured claims - # of creditors														
Unsecured - External Others	378	7	21	143	14	24	104	12	17	20	-	10	3	3
Unsecured - External EDC	7	1	1	1	-	-	1	1	-	1	-	-	-	1
Unsecured - Interco	15	3	4	1	3	2	2	4	2	6	1	3	2	1
Total - #	400	11	26	145	17	26	107	17	19	27	1	13	5	5
Convenience class payment (000\$ CAD)														
Unsecured - External Others	402	11	36	-	-	44	191	18	31	39	-	20	6	6
Unsecured - External EDC	12	2	2	-	-	-	2	2	-	2	-	-	-	2
Unsecured - Interco	57	6	8	-	-	4	4	8	4	12	-	5	4	2
Total - CC payment	471	19	46	-	-	48	197	28	35	53	-	25	10	10
Fully reimbursed creditors														
Convenience Class - # of creditors collecting an amount	256	11	26	-	-	26	107	17	19	27	-	13	5	5
Convenience Class - # of creditors fully reimbursed	39	2	4	-	-	6	17	5	4	1	-	-	-	-
% of Unsecured - External Others		18.2%	15.4%	0.0%	0.0%	23.1%	15.9%	29.4%	21.1%	3.7%	0.0%	0.0%	0.0%	0.0%
Creditors highly impacted														
Convenience Class - # of creditors collecting an amount	256	11	26	-	-	26	107	17	19	27	-	13	5	5
Convenience Class - # of creditors highly impacted	125	7	20	-	-	9	53	12	5	16	-	-	-	3
% of Unsecured - External Others		63.6%	76.9%	0.0%	0.0%	34.6%	49.5%	70.6%	26.3%	59.3%	0.0%	0.0%	0.0%	60.0%
Unsecured creditors - Distribution Overview														
Unsecured - External Others		37.3%	4.6%	0.0%	105.4%	36.9%	8.4%	2.6%	34.0%	5.0%	0.0%	86.2%	26.0%	0.7%
Unsecured - External EDC		12.2%	0.6%	0.0%	0.0%	0.0%	7.2%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.1%
Unsecured - Interco		12.7%	1.0%	0.0%	105.4%	33.2%	7.3%	0.2%	32.8%	2.0%	100.0%	85.7%	21.8%	0.1%
Total		12.3%	1.0%	0.0%	105.4%	33.9%	7.8%	0.2%	33.6%	2.0%	100.0%	85.8%	21.9%	0.1%
Unsecured - External Others - less than 10,000		48.3%	38.8%	0.0%	105.4%	78.0%	49.3%	61.0%	68.0%	42.1%	0.0%	90.1%	43.2%	0.0%
Unsecured - External Others - between 10,000-25,000		28.2%	14.3%	0.0%	0.0%	40.2%	18.6%	8.9%	41.1%	13.4%	0.0%	87.8%	0.0%	9.1%
Unsecured - External Others - between 25,000-50,000		0.0%	6.3%	0.0%	105.4%	37.5%	12.4%	0.0%	36.8%	7.6%	0.0%	0.0%	25.7%	0.0%
Unsecured - External Others - between 50,000-100,000		0.0%	4.1%	0.0%	105.4%	34.9%	9.8%	2.2%	34.4%	4.2%	0.0%	86.0%	24.2%	0.0%
Unsecured - External Others - over 100,000		0.0%	1.2%	0.0%	105.4%	33.8%	7.5%	0.7%	33.0%	2.4%	0.0%	85.8%	0.0%	0.5%
Total		37.3%	4.6%	0.0%	105.4%	36.9%	8.4%	2.6%	34.0%	5.0%	0.0%	86.2%	26.0%	0.7%

- ✓ Convenience Class payment of \$2K for each unsecured creditor of all petitioners other than BLA, CAI and GNR resulting in the full reimbursement of 39 creditors.
- ✓ Creditors highly impacted: identified by comparing the full recovery of each external creditors (excluding Interco and EDC) to the recovery the same creditor would obtain without any convenience class payment. If the recovery of a creditor is more than doubled, the creditor is identified as highly impacted.

Appendices



Appendix A

Detailed Calculation – Detailed calculation up to the Allocated Net Proceeds

XEBEC ADSORPTION INC. & AI.		Consolidated All Petitioners	EDC		EDC		EDC		EDC		EDC		Forum Xebec UK XUK	Monitor's trust accounts			
Estimated Distribution As at September 15, 2023 - In thousands CAD			CDA	CAL	BLA	CAI	ACS	UEC	Petitioners XBC		TIT	NOR			GNR	AIR	XSU
Proceeds from transactions - Allocation																	
Proceeds from transactions		31,239	4,510	7,712	6,320	1,580	400	6,524	1,477	1,402	209	100	1,004	-	-	7,617	31,239
Xebec UK Transaction estimated impact from BLA		7,197	-	-	7,197	-	-	-	-	-	-	-	-	-	-	-	-
Total Proceeds	A	38,436	4,510	7,712	13,517	1,580	400	6,524	1,477	1,402	209	100	1,004	-	-	7,617	31,239
Allocation %		100.00%	11.73%	20.06%	35.17%	4.11%	1.04%	16.97%	3.84%	3.65%	0.54%	0.26%	2.61%	0.00%	0.00%		
Post-Filing Intercompany Transactions																	
Net intercompany monetary transfers		B.1	1	983	335	(10,085)	1,423	983	6,803	404	938	1,803	-	2,286	(5,885)	13	-
Net intercompany transactions (sales and purchases)		B.2	(1)	(59)	74	909	(149)	248	(537)	(100)	159	83	-	(16)	(613)	-	-
Management fees - Corporate recharge (XSU) (5,395k)		B.3	(0)	(239)	(393)	(714)	(94)	-	(2,221)	(258)	(481)	(377)	-	(617)	5,395	-	-
Management fees - Corporate recharge (BLA) up to Apr 30 (2,152k)		B.4	-	(110)	(171)	2,152	(110)	(161)	(867)	(98)	(206)	(128)	-	(224)	(77)	-	-
Intercompany Transactions - Net	Σ B	(0)	575	(155)	(7,738)	1,070	1,071	3,178	(52)	409	1,382	-	1,429	(1,181)	13	-	-
Allocations																	
Restructuring Costs & Secured Debt Reimbursements to be allocated																	
Aggregate disbursements to be allocated - From Petitioners		C.1	23,362	-	-	21,892	-	-	-	54	-	-	-	1,416	-	-	-
Aggregate disbursements to be allocated - From Proceeds		C.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,947
Total to be allocated	Σ C	23,362	-	-	21,892	-	-	-	-	54	-	-	-	1,416	-	-	6,947
Restructuring Costs & Secured Debt Reimbursements - Allocation																	
Disbursements - Paid																	
Professional fees			(16,508)	(1,937)	(3,312)	(5,805)	(679)	(172)	(2,802)	(635)	(602)	(90)	(43)	(431)	-	-	-
KERP			(1,375)	(161)	(276)	(484)	(57)	(14)	(233)	(53)	(50)	(7)	(4)	(36)	-	-	-
DIP Financing - Interest and fees			(546)	(64)	(109)	(192)	(22)	(6)	(93)	(21)	(20)	(3)	(1)	(14)	-	-	-
EDC - Secured debt - Reimbursement			(1,007)	-	(264)	(462)	-	-	(223)	(51)	-	(7)	-	-	-	-	-
NBC - Secured debt - Reimbursement			(1,865)	(375)	-	(1,125)	(131)	(33)	-	-	(117)	-	-	(84)	-	-	-
EDC - Secured debt - Fees and Interest (Capital reimbursement)			(988)	-	(259)	(453)	-	-	(219)	(50)	-	(7)	-	-	-	-	-
NBC - Secured debt - Fees and Interest			(139)	(28)	-	(84)	(10)	(2)	-	(9)	-	-	-	(6)	-	-	-
NBF Transaction charge			(975)	(114)	(196)	(343)	(40)	(10)	(165)	(37)	(36)	(5)	(3)	(25)	-	-	-
Other restructuring expenses			(1,072)	(126)	(215)	(377)	(44)	(11)	(182)	(41)	(39)	(6)	(3)	(28)	-	-	-
Payroll			(1,368)	(161)	(274)	(481)	(56)	(14)	(232)	(53)	(50)	(7)	(4)	(36)	-	-	-
Total - Paid	D.1	(25,841)	(2,966)	(4,905)	(9,806)	(1,039)	(263)	(4,150)	(940)	(922)	(133)	(57)	(660)	-	-	-	-
Disbursements - Future																	
Professional fees			(2,259)	(265)	(453)	(795)	(93)	(24)	(383)	(87)	(82)	(12)	(6)	(59)	-	-	-
KERP			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other restructuring expenses			(576)	(68)	(116)	(203)	(24)	(6)	(98)	(22)	(21)	(3)	(2)	(15)	-	-	-
Payroll			(613)	(72)	(123)	(216)	(25)	(6)	(104)	(24)	(22)	(3)	(2)	(16)	-	-	-
Total - Future	D.2	(3,448)	(405)	(692)	(1,213)	(142)	(36)	(585)	(133)	(126)	(19)	(9)	(90)	-	-	-	-
Other items to be allocated																	
Professional fees - Theoretical amount (Administration Charge + EDC estimated costs)			(1,250)	(147)	(251)	(440)	(51)	(13)	(212)	(48)	(46)	(7)	(3)	(33)	-	-	-
D&O Charge (if applicable)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interests revenues			303	36	61	107	12	3	51	12	11	2	1	8	-	-	-
FX Rate favorable (unfavorable) variance, bank fees and other expenses (Trust accounts)			(73)	(9)	(15)	(26)	(3)	(1)	(12)	(3)	(3)	(0)	(0)	(2)	-	-	-
Total - Other items to be allocated	D.3	(1,020)	(120)	(205)	(359)	(42)	(11)	(173)	(39)	(37)	(6)	(3)	(27)	-	-	-	-
Total - Allocated disbursements	Σ D	(30,309)	(3,490)	(5,802)	(11,377)	(1,223)	(310)	(4,908)	(1,111)	(1,085)	(157)	(68)	(777)	-	-	-	-
DIP Financing receipts to be allocated																	
DIP Financing receipts - To be allocated		E	(8,950)	-	-	(8,950)	-	-	-	-	-	-	-	-	-	-	-
DIP Financing receipts - Allocation		F	8,950	1,050	1,796	3,148	368	93	1,519	344	327	49	23	234	-	-	-
Total - Allocation net impact	Σ C to F	(6,947)	(2,440)	(4,006)	4,712	(855)	(216)	(3,389)	(767)	(705)	(109)	(45)	(543)	1,416	-	-	-
Use of proceeds to cover Restructuring Costs (authorized by the Court)		G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,947)
Net proceeds before DIP Financing and other Secured Debts reimbursements	Σ A to G	31,489	2,645	3,551	10,491	1,796	1,254	6,313	658	1,107	1,483	55	1,889	235	13	7,617	24,292

Appendix A – cont'd

Detailed Calculation – Detailed calculation up to the Allocated Net Proceeds

XEBEC ADSORPTION INC. & AI. Estimated Distribution As at September 15, 2023 - In thousands CAD	Consolidated All Petionners	EDC		EDC		EDC		EDC		EDC		EDC		Forum Xebec UK XUK	Monitor's trust accounts	
		CDA	CAL	BLA	CAI	ACS	UEC	XBC	TIT	NOR	GNR	AIR	XSU			XHU
Net proceeds before DIP Financing and other Secured Debts reimbursements	31,489	2,645	3,551	10,491	1,796	1,254	6,313	658	1,107	1,483	55	1,889	235	13	7,617	24,292
Xebec UK transaction - Impact																
Repayment of NBC secured debt																
NBC --> Revolver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,904)	-
NBC --> Mastercard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48)	-
NBC --> EDC (guarantor) - LC Facility (drawn LCs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(491)	-
NBC --> EDC (guarantor) - LC Facility (London RNG paid in trust to Monitor - Partial)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,176)	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,618)	-
Xebec UK transaction - BLA estimated impact																
Pro forma repayment to Xebec UK (Subrogated in the rights of NBC)	(7,617)	-	-	(7,617)	-	-	-	-	-	-	-	-	-	-	-	-
Estimated proceeds to BLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,197)	-
Other known unsecured creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(420)	(420)
Total	(7,617)	-	-	(7,617)	-	-	-	-	-	-	-	-	-	-	(7,617)	(420)
Available net proceeds - After UK Transaction Impact	23,872	2,645	3,551	2,874	1,796	1,254	6,313	658	1,107	1,483	55	1,889	235	13	-	23,872
DIP Financing repayments - Allocation																
NBC - First DIP	(1,500)	(176)	(301)	(528)	(62)	(16)	(255)	(58)	(55)	(8)	(4)	(39)	-	-	-	-
EDC - First DIP	(1,500)	(176)	(301)	(528)	(62)	(16)	(255)	(58)	(55)	(8)	(4)	(39)	-	-	-	-
EDC - Second DIP	(2,500)	(293)	(502)	(879)	(103)	(26)	(424)	(96)	(91)	(14)	(7)	(65)	-	-	-	-
EDC - Third DIP	(3,450)	(405)	(692)	(1,213)	(142)	(36)	(586)	(133)	(126)	(19)	(9)	(90)	-	-	-	-
Total	(8,950)	(1,050)	(1,796)	(3,148)	(368)	(93)	(1,519)	(344)	(327)	(49)	(23)	(234)	-	-	-	(8,950)
Excess (shortfall) after DIP Financing repayments	32,822	1,595	1,755	(274)	1,428	1,161	4,794	314	780	1,434	32	1,656	235	13	-	14,922
Shortfall allocation	-	(50)	(85)	274	(17)	(4)	(72)	(16)	(15)	(2)	(1)	(11)	-	-	-	-
Total DIP Financing repayments (incl. shortfall allocation)	(8,950)	(1,100)	(1,880)	(2,874)	(385)	(98)	(1,591)	(360)	(342)	(51)	(24)	(245)	-	-	-	(8,950)
Available net proceeds - After allocated DIP repayments	14,922	1,546	1,670	-	1,410	1,157	4,722	298	765	1,432	30	1,645	235	13	-	14,922
Priority claims	(25)	-	-	(25)	-	-	-	-	-	-	-	-	-	-	-	(25)
Excess (shortfall)	14,897	1,546	1,670	(25)	1,410	1,157	4,722	298	765	1,432	30	1,645	235	13	-	14,897
Shortfall allocation	-	(5)	(8)	25	(2)	(0)	(7)	(1)	(1)	(0)	(0)	(1)	-	-	-	-
Priority claims - After shortfall allocation	(25)	(5)	(8)	-	(2)	(0)	(7)	(1)	(1)	(0)	(0)	(1)	-	-	-	(25)
Available net proceeds - After Priority claims	14,897	1,541	1,662	-	1,409	1,156	4,715	296	764	1,431	30	1,644	235	13	-	14,897
Estimated outstanding letters of credit ("LC")																
NBC (EDC as guarantor) - Letter of credit (London RNG) - Unpaid portion	(218)	(44)	-	(132)	(15)	(4)	-	-	(14)	-	-	(10)	-	-	-	(218)
NBC (EDC as guarantor) - Letters of credit (Outstanding LCs)	(200)	(40)	-	(121)	(14)	(4)	-	-	(13)	-	-	(9)	-	-	-	(200)
Outstanding letters of credit - estimated future repayment	(418)	(84)	-	(252)	(30)	(7)	-	-	(26)	-	-	(19)	-	-	-	(418)
Excess (shortfall)	14,479	1,457	1,662	(252)	1,379	1,149	4,715	296	737	1,431	30	1,625	235	13	-	14,479
Shortfall allocation	-	(128)	-	252	(45)	(11)	-	-	(40)	-	-	(28)	-	-	-	-
Total outstanding LCs estimated future repayments (incl. shortfall allocation)	(418)	(212)	-	-	(74)	(19)	-	-	(66)	-	-	(47)	-	-	-	(418)
Allocated Net Proceeds	14,479	1,329	1,662	-	1,334	1,137	4,715	296	698	1,431	30	1,596	235	13	-	14,479

Refer to the Monitors' Trust accounts reconciliation

Appendix E

Group Naming Convention and Entity Codes

Naming convention - Xebec Group		
Legal names	Entity Code	Petitioners
FormerXBC Inc. (formerly, Xebec Adsorption Inc.)	BLA	Petitioner
11941666 Canada Inc. (formerly, Xebec RNG Holdings Inc.)	GNR	Petitioner
1224933 Ontario Inc. (formerly, Compressed Air International Inc.)	CAI	Petitioner
Applied Compression Systems Limited	ACS	Petitioner
FormerXBC Holding USA Inc. (formely, Xebec Holding USA Inc.)	XHU	Petitioner
Enerphase Industrial Solutions Inc.	AIR	Petitioner
CDA Systems, LLC	CDA	Petitioner
FormerXBC Adsorption USA Inc. (formely, Xebec Adsorption USA Inc.)	XSU	Petitioner
FormerXBC Pennsylvania Company (formerly, The Titus Company)	TIT	Petitioner
FormerXBC NOR Corporation (formely, Nortekbelair Corporation)	NOR	Petitioner
FormerXBC Flow Services - Wisconsin Inc. (formerly, XBC Flow Services - Wisconsin Inc.)	XBC	Petitioner
California Compression LLC	CAL	Petitioner
FormerXBC Systems USA, LLC (formerly, Xebec Systems USA LLC)	UEC	Petitioner
Tiger Filtration Limited	TIGER	Non-Petitioner
Xebec Holding UK Limited	XUK	Non-Petitioner
Inmatec Gas Technology FZC-LLC	IGT	Non-Petitioner
Inmatec GaseTechnologie GmbH & Co. KG	IGG	Non-Petitioner
Xebec Komplementär GmbH / Xebec Complimentar GmbH	XKG	Non-Petitioner
Xebec Italy S.r.l.	ITA	Non-Petitioner
Xebec Europe B.V.	EUR	Non-Petitioner
Green Vision Holding B.V.	GVH	Non-Petitioner
HyGear B.V.	HYB	Non-Petitioner
HyGear Technology and Services B.V.	HYT	Non-Petitioner
HyGear Operations B.V.	HYO	Non-Petitioner
HyGear Fuel Cell Systems B.V.	HYF	Non-Petitioner
HyGear Hydrogen Plant B.V.	HYH	Non-Petitioner
Buse HyGear Limited	BHY	Non-Petitioner
GNR Québec Capital Management Inc. / Gestion GNR Québec Capital Inc.	GNR1	Non-Petitioner
GNR Québec Capital S.E.C. / GNR Québec Capital L.P.	GNR2	Non-Petitioner
GNR Bromont Management Inc. / Gestion GNR Bromont Inc.	GNR3	Non-Petitioner
GNR Bromont S.E.C. / GNR Bromont L.P.	GNR4	Non-Petitioner
Xebec Deutschland GmbH	DEU	Non-Petitioner
Xebec Adsorption Asia PTE LTD	ASIA	Non-Petitioner
Xebec Adsorption (Shanghai) Co. Ltd.	SHG	Non-Petitioner

Appendix F

Monitor's trust account reconciliation

XEBEC ADSORPTION INC. & AI.			
Breakdown of net proceeds and transactions from the Monitor's trust accounts			
<i>In \$000s CAD, as of September 15, 2023</i>			
	Petitioners	Amounts	Notes
PROCEEDS FROM TRANSACTIONS			
Transactions - Part of the SISP process			
1396905 B.C. LTD	ACS	400	
FSTQ	GNR	100	
Sullair	CDA & CAL	12,222	
Ivys Energy Solutions	BLA & CAI	7,900	
Next Air & Gas	NOR	209	
Curtis Toledo	AIR	895	
Fluid-Aire Dynamics	TIT	1,402	
Total Energy Systems	XBC	1,477	
EnergyLink	UEC	4,037	
		28,643	
Closed transactions - Remaining Other Assets			
Air Products	UEC	236	
Enerphase - Vehicle Fleet sales	AIR	109	
Filters	UEC	250	
Total proceeds	A	29,238	
PAYMENTS MADE TO THE BENEFICIARIES OF THE CCAA CHARGES AND OTHER DISBURSEMENTS			
Professionnal fees		1,489	
Interest and fees on DIP Financing		31	
Transaction Fee		975	
KERP		432	
Interest revenues (net of bank fees)		(302)	
Funds from net proceeds - Advance to operation accounts		1,000	
Foreign exchange loss (gain)		48	
	B	3,673	
DIP Facility - Reimbursement to NBC		1,500	
DIP Facility - Reimbursement to EDC		1,500	
Second DIP Facility - Reimbursement to EDC		2,500	
Third DIP Facility - Reimbursement to EDC		3,450	
	B	8,950	
Outstanding balance as of September 15, 2023	C=(A-B)	16,615	
UPCOMING DISBURSEMENTS FROM THE TRUST ACCOUNTS			
Professional Fees - Theoretical amount of the Administration Charge + EDC Costs		1,250	
Funds from net proceeds - Transfer to the operation accounts		2,000	
Other potential distribution related to the Xebec UK Transaction		420	1
UEC - Sales tax remittance (Western Midstream transaction)		23	
	D	3,693	
Outstanding balance after priority charges	E=(C-D)	12,922	
POTENTIAL TRANSACTIONS - OTHER REMAINING ASSETS			
Biostream Assets	UEC	2,000	1
Claims to Non-Petitionners	IGT	TBD	
Claims to Non-Petitionners	ITA	TBD	
London RNG	BLA	TBD	
Total proceeds from transactions to be completed	F	2,000	
Estimated net proceeds and transactions from the Monitor's trust accounts	G=(E+F)	14,922	

Note 1 : These transactions were completed at the date of this report and took place after September 15, 2023.



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**SCHEDULE "B": SUMMARY TABLE OF THE CASH IN US BANK ACCOUNTS OF CAL,
NOR, UEC AND XBC AT THE FILING DATE**

XEBEC ADSORPTION INC. & AI.			
Cash on hand at Filing date of certain Petitionners			
As at September 29, 2022			
	Currency	Amount	
		Original Currency	CAD
California Compression LLC			
Bridge Bank USD - CAL (USA)	USD	408,386	559,775
Bridge Bank Collateral USD - CAL (USA)	USD	66,045	90,528
		408,386	650,303
Nortekbelair Corporation			
United Community Bank USD - Nortec (USA)	USD	229,173	314,127
		229,173	314,127
Xebec Systems USA LLC			
KeyBank USD - Xebec Systems USA/UECompression (USA)	USD	4,195,065	5,750,175
		4,195,065	5,750,175
XBC Flow Services - Wisconsin Inc.			
BOA USD - XBC Flow Services - Wisconsin Inc. (USA)	USD	36,717	50,328
		36,717	50,328

SCHEDULE "C": PLAN TEMPLATES

[See attached]

**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 APPLIED COMPRESSION SYSTEMS LTD.

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	13
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	14
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
 ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	 22
8.1 Articles of Dissolution	22
8.2 Directors	22
 ARTICLE 9 GENERAL	 23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	29

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, Applied Compression Systems Ltd. (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

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

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

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

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

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

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

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

“**AIR**” means Enerphase Industrial Solutions, Inc.;

“**Allocated Net Proceeds**” has the meaning ascribed thereto in the recitals;

“**Allocation Method**” has the meaning ascribed thereto in the recitals;

“**Allocation Order**” has the meaning ascribed thereto in the recitals;

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

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

“**BLA**” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

“**CAI**” means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

“**CAL**” means California Compression, LLC;

“**CCAA**” has the meaning ascribed thereto in the recitals;

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

“**CDA**” means CDA Systems, LLC;

“**Certificate of Implementation**” has the meaning set forth in Section 7.3 hereof;

“**Certificate of Non-Implementation**” has the meaning set forth in Section 7.4 hereof;

“**Charitable Threshold**” has the meaning ascribed thereto in Section 4.1 hereof;

“**Claim**” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any

interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, 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 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 Paramountcy

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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 Applied Compression Systems Ltd. pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

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

Per:

Name:

Title:

**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.**)

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-and-

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF ENERPHASE INDUSTRIAL SOLUTIONS, INC.

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims.....	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	13
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	14
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	15
4.1 Administrative Reserve.....	15
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	16
5.1 General.....	16
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	17
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	18
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
 ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	 22
8.1 Articles of Dissolution	22
8.2 Directors	22
 ARTICLE 9 GENERAL	 22
9.1 Binding Effect	22
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	23
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	25
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	27
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	28

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:**

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

-and-

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

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

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

-and-

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

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

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	13
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	14
3.6 Voting 14	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	15
4.1 Administrative Reserve.....	15
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	16
5.1 General.....	16
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	17
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	18
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	22
8.1 Articles of Dissolution	22
8.2 Directors	22
ARTICLE 9 GENERAL	22
9.1 Binding Effect	22
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	23
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	25
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	27
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	28

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, 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“AIR” means Enerphase Industrial Solutions, Inc.;

“Allocated Net Proceeds” has the meaning ascribed thereto in the recitals;

“Allocation Method” has the meaning ascribed thereto in the recitals;

“Allocation Order” has the meaning ascribed thereto in the recitals;

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

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

“BLA” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

“CAL” means California Compression, LLC;

“CCAA” has the meaning ascribed thereto in the recitals;

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

“CDA” means CDA Systems, LLC;

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

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

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

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

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

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

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

“**Convenience Amount**” means the amount of \$2000;

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

“**Court**” has the meaning ascribed thereto in the recitals;

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

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

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

“**Determination Date**” means September 29, 2022;

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

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

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

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

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

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

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

“EDC” has the meaning ascribed thereto in the recitals;

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

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

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

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

“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.

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;
- (b) *second*, to each Affected Creditor for the remainder of its Proven Claim (including the interest provided for at Section 5.7 of this Plan); and
- (c) *third*, to BLA, as the sole shareholder of the Plan Debtor.

5.4 Timing of the Distributions

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

5.5 Assignment of Claims Prior to the Creditors’ Meeting

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

5.6 Assignment of Claims After the Creditors' Meeting

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

5.7 Interest and Expenses

Proven Claims will bear interest at the rate of 5% per annum for the period commencing on the Determination Date and ending on the relevant Distribution Date (until repaid in full).

5.8 Calculation

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

5.9 Treatment of Undelivered Distributions

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

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 Paramountcy

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

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

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 **XBEC SYSTEMS USA, LLC**)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR’S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the “**Plan**”).

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the “**Monitor**”), in its capacity as Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) (the “**Plan Debtor**”), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor’s Website.

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of 1224933 Ontario Inc. (formerly Compressed Air International Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

**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
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FORMERXBC INC. (formerly **XEBEC ADSORPTION
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-and-

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-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

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-and-

FORMERXBC ADSORPTION USA INC. (formerly
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FORMERXBC PENNSYLVANIA COMPANY
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-and-

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NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

PLAN OF COMPROMISE OF CALIFORNIA COMPRESSION, LLC

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	22
8.1 Articles of Dissolution	22
8.2 Directors	23
ARTICLE 9 GENERAL	23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	26
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	29
9.18 Choice of Language	29

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, California Compression, LLC (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“**AIR**” means Enerphase Industrial Solutions, Inc.;

“**Allocated Net Proceeds**” has the meaning ascribed thereto in the recitals;

“**Allocation Method**” has the meaning ascribed thereto in the recitals;

“**Allocation Order**” has the meaning ascribed thereto in the recitals;

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

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

“**BLA**” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

“**CAI**” means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

“**CCAA**” has the meaning ascribed thereto in the recitals;

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

“**CDA**” means CDA Systems, LLC;

“**Charitable Threshold**” has the meaning ascribed thereto in Section 4.1 hereof;

“**Certificate of Implementation**” has the meaning set forth in Section 7.3 hereof;

“**Certificate of Non-Implementation**” has the meaning set forth in Section 7.4 hereof;

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

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

“EDC Deficiency Claim” means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the plans of compromise of CDA, CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at

\$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

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

“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. Cash on Determination Date**” means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

“**U.S. Court**” has the meaning ascribed thereto in the recitals;

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

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

“**Unsecured Creditors’ Class**” has the meaning set forth in Section 3.2 hereof;

“**Voting Claim**” shall have the meaning set forth in the Claims Procedure Order;

“**XBC**” means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

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

“**XHU**” means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

“**XSU**” means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

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

from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

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

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

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

2.2 Persons Affected

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

2.3 Persons Not Affected

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

legal and equitable defences or entitlements to compensation, set-offs or recoupments against such Unaffected Claims.

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, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

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

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

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the

Monitor, including partial distributions (each, a “**Distribution**”). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors’ Meeting

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

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such

amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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 California Compression, LLC pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

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

Per:

Name:

Title:

**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 CDA SYSTEMS, LLC

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	13
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	14
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	15
4.1 Administrative Reserve.....	15
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	16
5.1 General.....	16
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	17
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	18
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
 ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	 22
8.1 Articles of Dissolution	22
8.2 Directors	22
 ARTICLE 9 GENERAL	 22
9.1 Binding Effect	22
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	23
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	25
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	27
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	28

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, CDA Systems, LLC (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“**AIR**” means Enerphase Industrial Solutions, Inc.;

“**Allocated Net Proceeds**” has the meaning ascribed thereto in the recitals;

“**Allocation Method**” has the meaning ascribed thereto in the recitals;

“**Allocation Order**” has the meaning ascribed thereto in the recitals;

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

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

“**BLA**” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

“**CAI**” means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

“**CAL**” means California Compression, LLC;

“**CCAA**” has the meaning ascribed thereto in the recitals;

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

“**Certificate of Implementation**” has the meaning set forth in Section 7.3 hereof;

“**Certificate of Non-Implementation**” has the meaning set forth in Section 7.4 hereof;

“**Charitable Threshold**” has the meaning ascribed thereto in Section 4.1 hereof.

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

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

“EDC Deficiency Claim” means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and the plans of compromise of CAL, NOR, UEC, XBC and XHU. The EDC Deficiency Claim is currently

estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

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

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

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

“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 Paramountcy

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

shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

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

materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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 CDA Systems, LLC pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

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

Per:

Name:

Title:

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

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

No.: 500-11-061483-224

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

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

-and-

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

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

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

-and-

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC NOR CORPORATION (FORMERLY
NORTEKBELAIR CORPORATION)**

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	13
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	14
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	22
8.1 Articles of Dissolution	22
8.2 Directors	23
ARTICLE 9 GENERAL	23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	26
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	29
9.18 Choice of Language	29

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, FormerXBC NOR Corporation (formerly Nortekbelair Corporation) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“AIR” means Enerphase Industrial Solutions, Inc.;

“Allocated Net Proceeds” has the meaning ascribed thereto in the recitals;

“Allocation Method” has the meaning ascribed thereto in the recitals;

“Allocation Order” has the meaning ascribed thereto in the recitals;

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

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

“BLA” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

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

“CAL” means California Compression, LLC;

“CCAA” has the meaning ascribed thereto in the recitals;

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

“CDA” means CDA Systems, LLC;

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

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

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

“Claim” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued 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, the Plan Debtor, UEC, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

“EDC Deficiency Claim” means the unsecured portion of the EDC Claim, calculated as the amount of the EDC Claim, minus the amount of the EDC Secured Claim, for voting and distribution purposes as unsecured creditor under the Plan and under the plans of compromise of CDA, CAL, UEC, XBC and XHU. The EDC Deficiency Claim is currently estimated at \$11,464,831 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order;

“EDC Secured Claim” means the secured portion of the EDC Claim equal to the amount to be distributed to EDC as secured creditor of the CAL, the Plan Debtor, UEC and XBC, pursuant to paragraph 2.1 of the Plan Support Agreement, plus any amount of Allocated Net Proceeds of BLA. For greater certainty, the EDC Secured Claim does not include (i) any distribution it receives as shareholder of GNR and of CAI, and (ii) any distribution it may receive pursuant to any plan of arrangement of the other Petitioners pursuant to the Plan Support Agreement. The EDC Secured Claim is currently estimated at \$5,443,494 (converted from USD as of the Determination Date) and shall be finally determined by the Monitor after the date of the Sanction Order. For greater certainty, the EDC Secured Claim shall constitute an Unaffected Claim for all purposes hereunder and any and all EDC Claims other than the EDC Secured Claim, including the EDC Unsecured Deficiency Claim, shall constitute Affected Claims for all purposes hereunder;

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

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

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

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

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

“Initial Order” has the meaning ascribed thereto in the recitals;

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

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

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

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

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

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

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

“Order” means any order of the Court in the CCAA Proceedings;

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

“Petitioners” has the meaning ascribed thereto in the recitals;

“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. Cash on Determination Date**” means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

“**U.S. Court**” has the meaning ascribed thereto in the recitals;

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

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

“**Unsecured Creditors’ Class**” has the meaning set forth in Section 3.2 hereof;

“**Voting Claim**” shall have the meaning set forth in the Claims Procedure Order;

“**XBC**” means FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.);

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

“**XHU**” means FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.);

“**XSU**” means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

1.2 Interpretation

For the purposes of the Plan:

- (a) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto, means prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.
- (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (c) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (d) all references in the Plan to Sections are references to Sections of the Plan;
- (e) unless otherwise specified, the words “hereof”, “herein” and “hereto” refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (f) the division of the Plan into “articles” and “sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “articles” and “sections” intended as complete or accurate descriptions of the content thereof;
- (g) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (h) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included

matters shall be regarded as illustrative without being either characterizing or exhaustive; and

- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

1.3 Date and Time For Any Action

For the purposes of the Plan:

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

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

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

2.2 Persons Affected

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

2.3 Persons Not Affected

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

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, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

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

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

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the

Monitor, including partial distributions (each, a “**Distribution**”). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors’ Meeting

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

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such

amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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
XBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to section 7.3 of the Plan, Deloitte Restructuring Inc. (the "**Monitor**"), in its capacity as Court-appointed Monitor of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) (the "**Plan Debtor**"), delivers this certificate to the Plan Debtor and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in section 7.2 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC NOR Corporation (formerly Nortekbelair Corporation) and not in its personal or corporate capacity.

Per:

Name:

Title:

**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
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FORMERXBC INC. (formerly **XEBEC ADSORPTION
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-and-

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

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

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

-and-

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC PENNSYLVANIA COMPANY
(FORMERLY THE TITUS COMPANY)**

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims.....	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
 ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	 22
8.1 Articles of Dissolution	22
8.2 Directors	22
 ARTICLE 9 GENERAL	 23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	29

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, FormerXBC Pennsylvania Company (formerly The Titus Company) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“AIR” means Enerphase Industrial Solutions, Inc.;

“Allocated Net Proceeds” has the meaning ascribed thereto in the recitals;

“Allocation Method” has the meaning ascribed thereto in the recitals;

“Allocation Order” has the meaning ascribed thereto in the recitals;

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

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

“BLA” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

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

“CAL” means California Compression, LLC;

“CCAA” has the meaning ascribed thereto in the recitals;

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

“CDA” means CDA Systems, LLC;

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

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

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

“Claim” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued 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 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;

“**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 Paramountcy

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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
XBEC SYSTEMS USA, LLC)

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

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

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

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Pennsylvania Company (formerly The Titus Company) and not in its personal or corporate capacity.

Per:

Name:

Title:

**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.
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**IN THE MATTER OF THE COMPROMISE OR
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-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC SYSTEMS USA, LLC (FORMERLY
XEBEC SYSTEMS USA, LLC)**

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	13
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	14
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	22
8.1 Articles of Dissolution	22
8.2 Directors	23
ARTICLE 9 GENERAL	23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	26
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	29
9.18 Choice of Language	29

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, FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“AIR” means Enerphase Industrial Solutions, Inc.;

“Allocated Net Proceeds” has the meaning ascribed thereto in the recitals;

“Allocation Method” has the meaning ascribed thereto in the recitals;

“Allocation Order” has the meaning ascribed thereto in the recitals;

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

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

“BLA” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

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

“CAL” means California Compression, LLC;

“CCAA” has the meaning ascribed thereto in the recitals;

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

“CDA” means CDA Systems, LLC;

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

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

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

“Claim” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued 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, the Plan Debtor, XBC and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

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

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

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

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

“**Unaffected Claim**” means:

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

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

“**Undelivered Distribution**” has the meaning set forth in Section 5.9 hereof;

“**Undelivered Distribution Notification**” has the meaning set forth in Section 5.9 hereof;

“**U.S. Bankruptcy Code**” has the meaning ascribed thereto in the recitals;

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

“**U.S. Cash on Determination Date**” means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

“**U.S. Court**” has the meaning ascribed thereto in the recitals;

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

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

“**Unsecured Creditors’ Class**” has the meaning set forth in Section 3.2 hereof;

“**Voting Claim**” shall have the meaning set forth in the Claims Procedure Order;

“**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, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

5.3 Distribution of the Distribution Proceeds

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

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

5.4 Timing of the Distributions

Except as otherwise provided herein or as ordered by the Court, distributions hereunder shall be made by the Monitor at the time and in the manner deemed reasonable by the

Monitor, including partial distributions (each, a “**Distribution**”). In such a case, all partial payments shall represent the *pro rata* amount of the distribution to which holders of a Proven Claim would otherwise be entitled to receive.

5.5 Assignment of Claims Prior to the Creditors’ Meeting

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

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such

amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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 FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Systems USA, LLC (formerly Xebec Systems USA, LLC) and not in its personal or corporate capacity.

Per:

Name:

Title:

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

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

No.: 500-11-061483-224

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

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

-and-

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

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

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

-and-

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC FLOW SERVICES – WISCONSIN INC.
(FORMERLY XBC FLOW SERVICES – WISCONSIN INC.)**

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	18
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	19
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	21
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	22
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	23
8.1 Articles of Dissolution	23
8.2 Directors	23
ARTICLE 9 GENERAL	23
9.1 Binding Effect	23
9.2 Claims Bar Date	24
9.3 Currency	24
9.4 Paramourncy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	25
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	26
9.10 Limitations of Liability	26
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	29
9.17 Successors and Assigns	29
9.18 Choice of Language	29

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, FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“AIR” means Enerphase Industrial Solutions, Inc.;

“Allocated Net Proceeds” has the meaning ascribed thereto in the recitals;

“Allocation Method” has the meaning ascribed thereto in the recitals;

“Allocation Order” has the meaning ascribed thereto in the recitals;

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

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

“BLA” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

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

“CAL” means California Compression, LLC;

“CCAA” has the meaning ascribed thereto in the recitals;

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

“CDA” means CDA Systems, LLC;

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

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

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

“Claim” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued 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, the Plan Debtor and XHU pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

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

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

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

“Final Order” means a final Order of the Court, or the U.S. Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to 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. Cash on Determination Date**” means the aggregate amount of cash held in the U.S. bank accounts of the Plan Debtor at the Determination Date;

“**U.S. Court**” has the meaning ascribed thereto in the recitals;

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

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

“**Unsecured Creditors’ Class**” has the meaning set forth in Section 3.2 hereof;

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

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

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

“XSU” means FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.).

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, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement, provided that in all cases such amount to be distributed from the Allocated Net Proceeds shall never exceed the U.S. Cash on Determination Date; and
- (b) the BLA Shortfall Repayment, less the portion thereof to be distributed to EDC on account of the EDC Secured Claim pursuant to the Plan Support Agreement.

To the extent that the Distribution Proceeds are insufficient to make the distribution referred to in paragraph 5.3(a) of this Plan in whole, the Distribution Proceeds shall be increased to be sufficient to make such distribution by a portion of the BLA Shortfall Repayment and/or dividends received pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

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

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

- (b) *second*, the pro-rata share to each Affected Creditor for the remainder of its Proven Claim.

5.4 Timing of the Distributions

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

5.5 Assignment of Claims Prior to the Creditors’ Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors’ Meeting, provided that neither the Plan Debtor nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected 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 Paramountcy

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

MONITOR'S CERTIFICATE – PLAN IMPLEMENTATION

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 6, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Flow Services – Wisconsin Inc. (formerly XBC Flow Services – Wisconsin Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

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

No.: 500-11-061483-224

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

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

-and-

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

-and-

APPLIED COMPRESSION SYSTEMS LTD.

-and-

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

-and-

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC HOLDING USA INC. (FORMERLY
XEBEC HOLDING USA INC.)**

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
 ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	 22
8.1 Articles of Dissolution	22
8.2 Directors	22
 ARTICLE 9 GENERAL	 23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	29

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, FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“**AIR**” means Enerphase Industrial Solutions, Inc.;

“**Allocated Net Proceeds**” has the meaning ascribed thereto in the recitals;

“**Allocation Method**” has the meaning ascribed thereto in the recitals;

“**Allocation Order**” has the meaning ascribed thereto in the recitals;

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

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

“**BLA**” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

“**CAI**” means 1224933 Ontario Inc. (formerly Compressed Air International Inc.);

“**CAL**” means California Compression, LLC;

“**CCAA**” has the meaning ascribed thereto in the recitals;

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

“**CDA**” means CDA Systems, LLC;

“**Certificate of Implementation**” has the meaning set forth in Section 7.3 hereof;

“**Certificate of Non-Implementation**” has the meaning set forth in Section 7.4 hereof;

“**Charitable Threshold**” has the meaning ascribed thereto in Section 4.1 hereof.

“Claim” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued 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 the Plan Debtor pursuant to the EDC Credit Agreement as set forth in the various proofs of claim filed by EDC with the Monitor, which claims are reduced by EDC pursuant to the Plan Support Agreement to exclude the post-filing fees and interest paid to EDC as secured creditor (excluding for greater certainty fees and interest paid to EDC as interim lender) since the Determination Date in the aggregate amount of \$987,531, which payments are re-characterized as capital reimbursements in accordance with subparagraph 51(c)(b) of the Allocation Order;

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

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

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

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

“Employee Priority Claims” means the following Claims of Employees of the Plan Debtor:

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

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

“Excluded Claim” means:

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

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

“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;

“**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 the Plan Debtor receives pursuant to any plan of compromise of the other Petitioners.

5.3 Distribution of the Distribution Proceeds

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

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

5.4 Timing of the Distributions

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

5.5 Assignment of Claims Prior to the Creditors' Meeting

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

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 Paramountcy

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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 FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Holding USA Inc. (formerly Xebec Holding USA Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title:

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

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

No.: 500-11-061483-224

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

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

-and-

ENERPHASE INDUSTRIAL SOLUTIONS, INC.

-and-

CDA SYSTEMS, LLC

-and-

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

-and-

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

-and-

FORMERXBC NOR CORPORATION (formerly
NORTEKBELAIR CORPORATION)

-and-

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

-and-

CALIFORNIA COMPRESSION, LLC

-and-

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

Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**PLAN OF COMPROMISE OF FORMERXBC ADSORPTION USA INC. (FORMERLY
XEBEC ADSORPTION USA INC.**

OCTOBER 26, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions.....	2
1.2 Interpretation	11
1.3 Date and Time For Any Action.....	12
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	12
2.1 Purpose	12
2.2 Persons Affected	12
2.3 Persons Not Affected.....	12
2.4 Equity Claims.....	13
2.5 Intercompany Claims.....	13
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Claims of Affected Creditors / Convenience Creditors.....	14
3.4 Claims of Unaffected Creditors.....	14
3.5 Creditors' Meeting	15
3.6 Voting 15	
3.7 Procedure for Valuing Voting Claims.....	15
3.8 Approval by Affected Creditors	15
3.9 Guarantees and Similar Covenants.....	15
3.10 Compensation and Set-Off	15
ARTICLE 4 RESERVES.....	16
4.1 Administrative Reserve.....	16
4.2 Disputed Claims Reserve	16
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	17
5.1 General.....	17
5.2 Distribution Proceeds	17
5.3 Distribution of the Distribution Proceeds.....	17
5.4 Timing of the Distributions	17
5.5 Assignment of Claims Prior to the Creditors' Meeting	18
5.6 Assignment of Claims After the Creditors' Meeting	18
5.7 Interest and Expenses.....	18
5.8 Calculation.....	18
5.9 Treatment of Undelivered Distributions	19
5.10 Tax Matters.....	19
ARTICLE 6 RELEASES	20
6.1 Release of the Plan Debtor	20
6.2 Release of Other Persons	20
6.3 Injunctions	21

ARTICLE 7 IMPLEMENTATION OF THE PLAN	21
7.1 Application for Sanction Order	21
7.2 Conditions Precedent to Implementation of Plan	21
7.3 Certificate of Implementation	22
7.4 Nullity of Plan	22
ARTICLE 8 DISSOLUTION AND OTHER CORPORATE MATTERS	22
8.1 Articles of Dissolution	22
8.2 Directors	22
ARTICLE 9 GENERAL	23
9.1 Binding Effect	23
9.2 Claims Bar Date	23
9.3 Currency	23
9.4 Paramountcy	24
9.5 Waiver of Defaults	24
9.6 Modification of Plan	24
9.7 Deeming Provisions	25
9.8 Sections 38 and 95 to 101 BIA	25
9.9 Responsibilities of the Monitor	25
9.10 Limitations of Liability	25
9.11 Different Capacities	26
9.12 Notices	26
9.13 Severability	27
9.14 Revocation, Withdrawal or Non-Consummation	28
9.15 Further Assurances	28
9.16 Governing Law	28
9.17 Successors and Assigns	28
9.18 Choice of Language	29

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, FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) (the “**Plan Debtor**”) hereby proposes this Plan of Compromise under and pursuant to the CCAA.

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

“**ACS**” means Applied Compression Systems Ltd.;

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

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

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

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

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

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

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

“AIR” means Enerphase Industrial Solutions, Inc.;

“Allocated Net Proceeds” has the meaning ascribed thereto in the recitals;

“Allocation Method” has the meaning ascribed thereto in the recitals;

“Allocation Order” has the meaning ascribed thereto in the recitals;

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

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

“BLA” means FormerXBC Inc. (formerly Xebec Adsorption Inc.);

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

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

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

“CAL” means California Compression, LLC;

“CCAA” has the meaning ascribed thereto in the recitals;

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

“CDA” means CDA Systems, LLC;

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

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

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

“Claim” means any right or claim of any Person against the Plan Debtor, arising in or in connection with any jurisdiction, including but not limited to Canada and the United States of America, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Plan Debtor owed to such Person and any interest accrued 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 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.).

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 or arrangement of such other Petitioner, and to vote at his discretion and otherwise act for and on behalf of the Plan Debtor with respect to any amendments or variations to the matters identified in the notice of such meeting and in such plan, and with respect to other matters that may properly be presented at such meeting.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

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

3.2 Classification of Creditors

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

3.3 Claims of Affected Creditors / Convenience Creditors

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

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

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

9.5 Waiver of Defaults

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

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

9.6 Modification of Plan

The Plan Debtor:

- (a) in consultation with the Monitor, may, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Plan Debtor shall file any supplementary plans with the Court as soon as practicable. The Plan Debtor shall give notice to Affected Creditors of the details of any such modification, amendment or

supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Plan Debtor may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or

- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Plan Debtor may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not 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 FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) pursuant to the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended, dated October 26, 2023 (as it may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

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

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

Deloitte Restructuring Inc., in its capacity as the Court-appointed Monitor of FormerXBC Adsorption USA Inc. (formerly Xebec Adsorption USA Inc.) and not in its personal or corporate capacity.

Per:

Name:

Title: