

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF FRONTENAC

Nº: 235-11-000008-259

DATE: May 6, 2025

PRESIDING: THE HONOURABLE JEAN-FRANÇOIS ÉMOND, J.S.C.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985, C. C-36, OF:

CERTAIN UNDERWRITERS AT LLOYD'S, LONDON

-and-

TENECOM LIMITED

-and-

THE OCEAN MARINE INSURANCE COMPANY LIMITED

-and-

NRG VICTORY REINSURANCE LIMITED

-and-

THE SCOTTISH LION INSURANCE COMPANY LTD.

CLMI/ Co-Applicants

-and-

ASBESTOS CORPORATION LIMITED

Debtor/ Co-Applicants

-and-

RAYMOND CHABOT INC.

Proposed Monitor

INITIAL ORDER

(On an Amended Application for the issuance of an Initial Order under CCAA)

[1] **ON READING** the Amended Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order dated May 6, 2025 (the

"**Application**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), the sworn statement and the exhibits filed in support thereof;

[2] **CONSIDERING** the notification of the Application;

[3] **CONSIDERING** the Pre-Filing Report to the Court submitted by Raymond Chabot Inc. ("**RCI**" or the "**Monitor**") in its capacity as the proposed Monitor dated May 5, 2025 (the "**Monitor's Pre-Filing Report**");

[4] **CONSIDERING** the testimony of the Proposed Monitor's representant, Mr. Jean Gagnon and the Applicant's Debtor CEO , Mr. Guy Berard;

[5] **CONSIDERING** the evidence submitted at the hearing, which reveals the following:

- Until 1986, the Debtor Co-applicant Asbestos Corporation Limited ("**ACL**") operated open pit chrysotile mines in Thetford Mines, Quebec, Canada, for the purpose of mining asbestos.
- Over the course of the past three (3) decades, ACL has been the subject of thousands of asbestos-related claims and, until recently, ACL was fully responsible for resolving these asbestos-related claims.
- The Co-Applicants Certain Underwriters at Lloyd's, London, Tenecom Limited, The Ocean Marine Insurance Company Limited, NRG Victory Reinsurance Limited and The Scottish Lion Insurance Company Limited ("**CLMI**") were and are involved in reimbursing ACL for these asbestos-related claims, solely in their capacity as insurers to ACL;
- More specifically, in accordance with the terms of the London Policies and an Interim Settlement Agreement ("**ISA**"), CLMI reimbursed defence costs incurred by ACL in relation to the claims and have also funded certain settlements agreed upon between ACL and certain claimants;
- Until September 2023, ACL and CLMI were involved, together, in the decision making to settle the asbestos related claims filed in USA;
- In September 2023, the circumstances relating to ACL's right or ability to resolve and defend such asbestos-related claims were compromised;
- More precisely, on September 8, 2023, the Court of Common Pleas of Richland County, South Carolina (the "**South Carolina Court**") in a lawsuit involving one of the underlying asbestos-related claims, held ACL in contempt of court on the basis that it refused to properly engage in discovery, and to produce in the United States, corporate documents located in Canada;

- The ACL's position was then, and continues to be, that the Quebec Business Concerns Records Act, RLRQ ch. D-12 (the "**QBCRA**") prevents a Quebec corporation from transferring such documents outside of Quebec;
- Despite ACL's position, the South Carolina Court sanctioned ACL, struck its pleadings (so that it fell in default) and entered a Receivership Order that putatively stripped ACL of its right to defend itself in the United States;
- The South Carolina Court appointed Peter D. Protopapas of the South Carolina law firm of Rikard & Protopapas as Receiver of ACL with respect to certain powers, rights and assets, specifically, the power and right to defend asbestos suits against ACL in the United States and the power and right to deal with its insurers, the Co-Applicant CLMI, with respect to those suits (the "**South Carolina Receiver**");
- In his Receiver's capacity for ACL, Protopapas was granted full control of ACL's defence against the asbestos-related claims made against it in the United States, and has since filed a suit against CLMI in the South Carolina Court in order to force CLMI to pay the costs incurred by the South Carolina Receiver with this suit pending before the South Carolina Court as of the date of this Application;
- Since the appointment of the South Carolina Receiver, matters have worsened for ACL;
- Indeed, the steps taken by the South Carolina Receiver have resulted in increased liability and damages for ACL rather than protecting its interests and those of its stakeholders;
- For instance, in two cases, one in the state of Washington and the other in the state of California, ACL's right to be heard in Court was denied and this led to a judgment rendered by default against it;
- Indeed, in the Washington case, ACL was condemned to pay by default more than 16 million dollars US in damages to the Plaintiffs;
- At the current state of the proceedings filed in USA, it appears that ACL suffers a lack of procedural fairness;

[6] **CONSIDERING** the ACL's situation resulting from the claims and litigation proceedings instituted against it, the Co-Applicants require a stay of proceedings in order to ensure that the claims and litigation against the Debtor can be resolved, compromised or otherwise addressed in a single forum, in a stable and secure environment, without undue or unjust interference;

[7] **CONSIDERING** that a stay of proceedings is the primary tool that allows the CCAA to achieve its restructuring objective and is central to a Restructuring Process;

[8] **CONSIDERING** that, in the present case, the success of the Restructuring Process, and the resolution of the various claims and litigation, present and future, will require multi-party negotiations and discussions;

[9] **CONSIDERING** the CCAA proceedings will provide a reasonable and effective forum within which these negotiations and discussions may take place without prejudice from the multiplicity of additional recourses and actions being instituted against the ACL;

[10] **CONSIDERING** the CCAA proceedings will provide a single forum for dealing with all liabilities of ACL;

[11] **CONSIDERING** that such stability is necessary to assure the success of the Restructuring Process;

[12] **CONSIDERING** the objectives of the CCAA as described by the Supreme Court of Canada in 9354-9186 *Québec inc. v. Callidus Capital Corp.*¹:

[39] The CCAA is one of three principal insolvency statutes in Canada. The others are the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 ("BIA"), which covers insolvencies of both individuals and companies, and the Winding-up and Restructuring Act, R.S.C. 1985, c. W-11 ("WURA"), which covers insolvencies of financial institutions and certain other corporations, such as insurance companies (WURA, s. 6(1)). While both the CCAA and the BIA enable reorganizations of insolvent companies, access to the CCAA is restricted to debtor companies facing total claims in excess of \$5 million (CCAA, s. 3(1)).

[40] Together, Canada's insolvency statutes pursue an array of overarching remedial objectives that reflect the wide ranging and potentially "catastrophic" impacts insolvency can have (*Sun Indalex Finance, LLC v. United Steelworkers*, 2013 SCC 6, [2013] 1 S.C.R. 271, at para. 1). These objectives include: providing for timely, efficient and impartial resolution of a debtor's insolvency; preserving and maximizing the value of a debtor's assets; ensuring fair and equitable treatment of the claims against a debtor; protecting the public interest; and, in the context of a commercial insolvency, balancing the costs and benefits of restructuring or liquidating the company (J. P. Sarra, "The Oscillating Pendulum: Canada's Sesquicentennial and Finding the Equilibrium for Insolvency Law", in J. P. Sarra and B. Romaine, eds., *Annual Review of Insolvency Law* 2016 (2017), 9, at pp. 9-10; J. P. Sarra, *Rescue! The Companies' Creditors Arrangement Act* (2nd ed. 2013), at pp. 4-5 and 14; Standing Senate Committee on Banking, Trade and Commerce, *Debtors and Creditors Sharing the Burden: A Review of the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act* (2003), at pp. 9-10; R. J. Wood, *Bankruptcy and Insolvency Law* (2nd ed. 2015), at pp. 4-5).

¹ 2020 SCC 10 (CanLII), [2020] 1 SCR 521.

[41] Among these objectives, the CCAA generally prioritizes "avoiding the social and economic losses resulting from liquidation of an insolvent company" (*Century Services*, at para. 70). As a result, the typical CCAA case has historically involved an attempt to facilitate the reorganization and survival of the pre-filing debtor company in an operational state — that is, as a going concern. Where such a reorganization was not possible, the alternative course of action was seen as a liquidation through either a receivership or under the BIA regime. This is precisely the outcome that was sought in *Century Services* (see para. 14).

[42] That said, the CCAA is fundamentally insolvency legislation, and thus it also "has the simultaneous objectives of maximizing creditor recovery, preservation of going-concern value where possible, preservation of jobs and communities affected by the firm's financial distress . . . and enhancement of the credit system generally" (Sarra, *Rescue! The Companies' Creditors Arrangement Act*, at p. 14; see also *Ernst & Young Inc. v. Essar Global Fund Ltd.*, 2017 ONCA 1014, 139 O.R. (3d) 1 ("Essar"), at para. 103). In pursuit of those objectives, CCAA proceedings have evolved to permit outcomes that do not result in the emergence of the pre-filing debtor company in a restructured state, but rather involve some form of liquidation of the debtor's assets under the auspices of the Act itself (Sarra, "The Oscillating Pendulum: Canada's Sesquicentennial and Finding the Equilibrium for Insolvency Law", at pp. 19-21). Such scenarios are referred to as "liquidating CCAAs", and they are now commonplace in the CCAA landscape (see *Third Eye Capital Corporation v. Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508, 435 D.L.R. (4th) 416, at para. 70).

[13] **CONSIDERING** that ACL and CLMI, in order to reach the CCAA's objectives, will craft a claim process which will take into consideration the best interests of Co-Applicants and all stakeholders and potential stakeholders of ACL, including, among others, the Asbestos Claimants in connection with asbestos-related injuries and claims, in order to:

- Preserve and maximize the value of ACL for its various stakeholders;
- Allow for the orderly distribution of funds and compensation which will be available to any claimant, or stakeholder entitled to a claim or compensation;
- Avoid the current situation in which there is a "race to the courts" on the part of plaintiffs in the United States in order to obtain individual recovery to the detriment of other claimants;
- Adjudicate claims against ACL based on their merit, and not based on default or contempt of court, with a view to ensuring that claimants with valid claims are duly compensated in a structured and cost-effective manner; and devising

a simpler, less costly, more effective and more rapid process to deal with all the claims or potential claims than legal proceedings in Canada and the United States, the multiplicity of which is likely to contribute to the erosion of the value of ACL and recovery for the claimants;

[14] **CONSIDERING** all the claims or potential claims and legal proceedings in Canada and the United States, the multiplicity of which is likely to contribute to the erosion of the value of ACL and the recovery for the claimants;

[15] **CONSIDERING** the restructuring process proposed by Co-Applicants ACL and CLMI which contemplates:

- The execution of a transparent court-supervised process aimed at stabilizing ACL's operations and ensuring that sufficient liquidity is available *via* the Interim Facility (as defined below);
- The eventual implementation, in due course, of a claims process to ensure that ACL's individual asbestos claimants can efficiently and judiciously settle their outstanding claims against ACL, among others;
- A claims process under the CCAA , which will allow these claims to be channeled into a fair and efficient claims process in Canada, where the interests of both Debtor and creditors can be appropriately balanced;
- The implementation of a plan of compromise or arrangement of the asbestos related claims following the above-mentioned claims process; and
- The preservation and maximization of the value of ACL for its various stakeholders;

[16] **CONSIDERING** that ACL's center of main interest ("COMI") is located in Thetford Mines, Province of Quebec, Canada;

[17] **CONSIDERING** the submissions of the attorneys present at the hearing on the Application and the testimony of the witnesses heard;

[18] **CONSIDERING** that the Court is satisfied that the Modified Application meets the requirements of the CCAA

THE COURT HEREBY:

[19] **GRANTS** the Application.

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

- I. Service
- II. Definitions

- III. Effective Time
- IV. Application of the CCAA
- V. Stay of Proceedings against the Co-Applicants and the Property
- VI. Stay of Proceedings against the Directors and Officers
- VII. Possession of Property and Operations
- VIII. No Exercise of Rights or Remedies
- IX. No Interference with Rights
- X. Continuation of Services
- XI. Non-Derogation of Rights
- XII. Restructuring
- XIII. Powers of the Monitor
- XIV. Comeback Hearing
- XV. Foreign Proceedings
- XVI. General

I. SERVICE

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

II. DEFINITIONS

[22] **ORDERS** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

III. EFFECTIVE TIME

[23] **DECLARES** that this Order and all its provisions are effective as of 12:01 a.m. Montréal time, province of Québec, on May 6, 2025 (the "**Effective Time**").

IV. APPLICATION OF THE CCAA

[24] **DECLARES** that ACL is a debtor company to which the CCAA applies.

[25] Stay of Proceedings against co- CLMI and the Property

[26] **ORDERS** that, until and including May 16, 2025, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process directly or indirectly concerning or related to the Debtor in any court or tribunal (each, a "**Proceeding**"), including but not limited to seizures, right to distrain, executions, writs of seizure or execution, judicial or extrajudicial right of resolution or resiliation, right of set-off or compensation of any and all claims, actions, applications, arbitration proceedings and other lawsuits against the Debtor, General Dynamics Corporation, or otherwise against the CLMI² , including their third-party claims administrator

² In accordance with the Application, "CLMI" is defined to include the following entities: Certain Underwriters at Lloyd's, London, and Tenecom Limited (as successor to Winterthur Swiss

Resolute Management Inc., in each case, in connection with or related to, directly or indirectly, the Debtor (collectively, the "**Stay Parties**", whether such Proceedings involve the Stay Parties individually or with other Persons (as defined below)), shall be commenced or continued against or in respect of the Stay Parties, or affecting any of the Stay Parties' business operations and activities (the "Business") CLMI or any of the Property (as defined herein below), including as provided in paragraph [33] herein except with leave of this Court. Any and all Proceedings currently under way against or in respect of the Stay Parties or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to Section 11.1 of the CCAA. Without limiting the generality of the foregoing, Proceedings shall include all proceedings commenced or filed in Canada or in the United States of America or elsewhere or that may be commenced or filed against, *inter alia*, the Stay Parties, such as the Washington Proceedings, the South Carolina Proceedings, the California Proceedings or any other Proceedings, wherever instituted against the Stay Parties, that involve asbestos-related bodily injuries, or the marshalling or administration of insurance assets (including the London Policies) of ACL (the "**Asbestos Proceedings**").

[27] **ORDERS** that the rights of His Majesty in right of Canada and His Majesty in right of a Province are suspended in accordance with the terms and conditions of Section 11.09 of the CCAA.

V. STAY OF PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

[28] **ORDERS** that during the Stay Period and except as permitted under Subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Stay Parties nor against any person deemed to be a former, present or future director or an officer of the Stay Parties under Subsection 11.03(3) of the CCAA (each, a "**Director**" or an "**Officer**", as applicable, and collectively the "**Directors and Officers**") in respect of any claim against such Director or Officer which arose prior to the Effective Time and which relates to any obligation of the Stay Parties where it is alleged that any of the Directors and Officers is under any law liable in such capacity for the payment of such obligation or which relate to the Asbestos Proceedings.

Insurance Company, formerly known as Accident & Casualty Insurance Company of Winterthur, Switzerland, and to Yasuda Fire and Marine Insurance Company (UK) Limited and now known as Tenecom Ltd.), The Ocean Marine Insurance Company (as successor to liabilities of Commercial Union Assurance Company Limited, The Edinburgh Assurance Company, The Indemnity Marine Assurance Company Limited, The Northern Assurance Company Limited, The Road Transport & General Insurance Company Limited, United Scottish Insurance Company Limited, and The Victoria Insurance Company Limited), NRG Victory Reinsurance Limited, as successor to liabilities of New London Reinsurance Company Limited, and The Scottish Lion Insurance Company Limited.

VI. POSSESSION OF PROPERTY AND OPERATIONS

[29] **ORDERS** that, subject to the powers granted to the Monitor pursuant to the Order, the Debtor shall remain in and/or take possession and control of its present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof and all bank accounts, (collectively the "**Property**") in each case, whether or not purportedly administered by the South Carolina Receiver, and including all insurance assets, wherever they may be located, including in the United States (the "**Insurance Assets**"), the whole in accordance with the terms and conditions of this Order. Subject to the power of the Monitor pursuant to this Order, the Debtor shall have sole power and authority to administer and control the Property, including the Insurance Assets.

[30] **ORDERS** that the Debtor shall be entitled but not be required to pay the following expenses, whether incurred prior to or after this Order, provided that such expenses are made with the prior consent of the Monitor and the CLMI:

- (a) all outstanding and future wages, salaries, benefits, vacation pay, expenses and other amounts otherwise payable by the Debtor on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any advisor or counsel retained or employed by ACL, the CLMI or by the Monitor, in connection with these proceedings, at their standard rates and charges; and
- (c) the amounts due for goods and services rendered to the Debtor prior to the date of this Order by third party suppliers if, in the opinion of the Monitor, the supplier is essential to the ongoing operations of the Business or the Debtor during the CCAA Proceedings.

[31] **ORDERS** that, except as otherwise provided to the contrary herein, the Debtor shall be entitled but not required to pay all reasonable and necessary expenses incurred in carrying on the Business in the ordinary course after this Order and in carrying out this Order, provided that such expenses are made with the prior consent of the Monitor and the CLMI, which expenses may include, without limitation:

- (a) all charges and capital expenditures reasonably necessary to preserve the Property or the Business of the Debtor, including, without limitation, payments for insurance, maintenance and security services; and
- (b) payment for products or services rendered to the Debtor after the date of this Order or payments to obtain the delivery of products or

the rendering of services covered by a contract entered into prior to, concurrent with or after the date of this Order.

[32] **ORDERS** that, subject to the terms of the Interim Financing Term Sheet, the Debtor is authorized to remit or pay the following expenses, in accordance with legal requirements, provided that such expenses are made with the prior consent of the Monitor and the CLMI:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Québec Pension Plan, and (iv) income taxes;
- (b) all goods and services, harmonized sales or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtor and in connection with the sale of goods and services by the Debtor, but only where such Sales Taxes are accrued after the date of this Order.

VII. NO EXERCISE OF RIGHTS OR REMEDIES

[33] **ORDERS** that during the Stay Period, and subject to, *inter alia*, Section 11.1 of the CCAA, all rights and remedies, of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, landlord or any other entity, whether based in Canada, in the US or elsewhere, acting in any capacity, (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), against or in respect of the Debtor, or otherwise against the CLMI to the extent directly or indirectly related to any rights and remedies which may directly or indirectly involve the Debtor, or affecting the Business, the Property or any part thereof, including, any contractual right of any third party to modify any of the Stay Parties' existing rights as a result of any event of default or of non-performance by the Debtor under any agreement (including any bond, surety, indemnity or other comparable agreement), including by reason of the insolvency of the Debtor, are hereby stayed and suspended except with leave of this Court.

[34] **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Stay Parties or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Debtor become(s) bankrupt or a receiver as defined in Subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") is appointed in respect of the Debtor, the period between the date of this Order

and the day on which the Stay Period ends shall not be calculated in respect of the Debtor in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

VIII. NO INTERFERENCE WITH RIGHTS

[35] **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, fail to renew per the same terms and conditions, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Monitor, or with leave of this Court.

IX. CONTINUATION OF SERVICES

[36] **ORDERS** that during the Stay Period and subject to paragraph [38] hereof and Section 11.01 of the CCAA, all Persons having verbal or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, utility or other goods or services made available to the Debtor, are hereby restrained until further order of this Court from discontinuing, failing to renew per the same terms and conditions, altering, interfering with, terminating the supply or, where the case may be, interrupting, delaying or stopping the transit of such goods or services as may be required by the Debtor, and that the Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtor, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor, as applicable, with the consent of the Monitor, or as may be ordered by this Court.

[37] **ORDERS** that, notwithstanding anything else contained herein and subject to Section 11.01 of the CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Debtor on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to make further advance of money or otherwise extend any credit to the Debtor.

[38] **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by the Debtor with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of the Order or due on or before the expiry of the Stay Period, or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn

by the Debtor and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into any of the Debtor's accounts until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

X. NON-DEROGATION OF RIGHTS

[39] **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of the Debtor shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the Effective Time, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

XI. RESTRUCTURING

[40] **DECLARES** that, to facilitate the orderly restructuring of the business and financial affairs of the Debtor (the "**Restructuring**") but subject to such requirements as are imposed by the CCAA, the Debtor shall have the right, subject to approval of the Monitor and the CLMI or further order of the Court, to:

- (a) permanently or temporarily cease, downsize, or shut down any of its operations or locations as the Monitor deems appropriate and make provision for the consequences thereof in the Plan;
- (b) cause any Person to turn over the Property to the Debtor;
- (c) pursue all avenues to finance or refinance, market, convey, transfer assign or in any other manner, dispose of the Business or Property, in whole or part, subject to further order of the Court and sections 11.3 and 36 of the CCAA, and under reserve of subparagraph [40](d);
- (d) convey, transfer, assign, lease, or in any other manner, dispose of the Property, including, without limitation, any share, participation right or other right, interest in property, equity share, stock, note, bond, debenture and certificate of deposit outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed \$50,000 individually or \$100,000;
- (e) give instructions to any trustee of any trust in which the Debtor has a beneficial interest, or any other interest;
- (f) terminate the employment of such of its employees or temporarily or permanently lay off such of its employees as the Debtor or as the Monitor, on behalf of the Debtor, deems appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or

other amounts in respect thereof are not paid in the ordinary course, make provision, on such terms as may be agreed upon between the Debtor and such employee, or failing such agreement, make provision to deal with, any consequences thereof in the Plan, as the Debtor may determine;

- (g) subject to the provisions of Section 32 of the CCAA, disclaim or resiliate, any of the Debtor's agreements, contracts, or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Debtor and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- (h) subject to Section 11.3 of the CCAA, assign any rights and obligations of the Debtor.

[41] **DECLARES** that, in order to facilitate the Restructuring, the Debtor, subject to the approval of the Monitor and the CLMI, or further order of the Court, is authorized and has sole authority to settle claims of creditors, customers and suppliers that are in dispute and may pursue, subject to Court approval and the approval of the CLMI, the settlement or other resolution of the claims related to the Asbestos Proceedings.

[42] **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of the Debtor pursuant to Section 32 of the CCAA and Subsection [40](g) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Debtor and the Monitor 24 hours' prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Debtor, provided nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

[43] **ORDERS** that the Debtor shall provide to any relevant landlord notice of its intention to remove any fittings, fixtures, installations, or leasehold improvements at least seven (7) days in advance. If the Debtor has already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between the Debtor and the landlord.

[44] **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Monitor or the Debtor is permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in its possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to its advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or

a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Debtor binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Debtor or destroyed. If a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Debtor.

XII. POWERS OF THE MONITOR

[45] **ORDERS** that RCI is hereby appointed to monitor the business and financial affairs of the Debtor as an officer of this Court (the "**Monitor**") and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

- (a) shall, as soon as practicable, (i) publish online once a week for two (2) consecutive weeks or as otherwise directed by the Court, in *La Presse+* and the *Globe and Mail National Edition* and (ii) within five (5) business days after the date of this Order (A) post on the Monitor's website (the "**Website**") a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against the Debtor of more than \$1,000, advising them that this Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder;
- (b) shall monitor the Debtor's receipts and disbursements;
- (c) shall assist the Debtor, to the extent required, in dealing with its creditors and other interested Persons during the Stay Period;
- (d) shall assist the Debtor, to the extent required, with the preparation of its cash flow projections and any other projections or reports and the development and implementation of the Plan;
- (e) shall advise and assist the Debtor, to the extent required, to review the Debtor's business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;

- (f) shall assist the Debtor, to the extent required, with the Restructuring and in its negotiations with its creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan, including, without limitation, participating, as the CLMI considers appropriate, in any discussion and negotiation with creditors, claimants or others and assisting and facilitating the settlement or other resolution of the claims related to Asbestos Proceedings;
- (g) shall report to the Court on the state of the business and financial affairs of the Debtor or developments in these proceedings or any related proceedings, or the settlement or other resolution of the claims related to Asbestos Proceedings, and any other matter deemed by the Monitor to be relevant to this proceeding, within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order;
- (h) shall report to this Court and interested parties, including, but not limited to creditors affected by the Plan, with respect to the Monitor's assessment of, and recommendations with respect to, the Plan;
- (i) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of this Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- (j) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under this Order or under the CCAA;
- (k) shall assist the Debtor with respect to any insolvency proceedings commenced by or with respect to the Debtor in any foreign jurisdiction (collectively, "**Foreign Proceedings**") and report to this Court, as it deems appropriate, on the Foreign Proceedings with respect to matters relating to the Debtor;
- (l) shall act as a "foreign representative" of the Debtor or in any other similar capacity in any insolvency, bankruptcy or reorganization proceedings outside of Canada;
- (m) may give any consent or approval as may be contemplated by the Order or the CCAA;
- (n) may hold and administer funds in connection with arrangements made among the Debtor, any counterparties and the Monitor, or by Order of this Court; and

- (o) may perform such other duties as are required by this Order or the CCAA or by this Court from time to time.

[46] **ORDERS** that, in addition to the powers already provided for in this Order, the Monitor shall also be authorized, but not required, to exercise the following powers for and on behalf of the Debtor and in consultation with the CLMI:

- (a) provide the CLMI with any information they may require with respect to the Debtor, including its Business and Property;
- (b) access, at all times, the places of business and the premises of the Debtor, the Property;
- (c) apply to the Court for any orders which may be necessary or appropriate for the Restructuring; and
- (d) perform such other duties or take any steps reasonably incidental to the exercise of such powers and obligations conferred upon the Monitor by this Order or any order of this Court.

[47] **ORDERS** that neither the Monitor nor any employee or agent of the Monitor shall be deemed (i) to be a director, officer or trustee of the Debtor, (ii) to assume any obligation incumbent upon the Debtor, including in environmental matters, or (iii) to assume any fiduciary duty to the Debtor or any other Person, including any creditor or shareholder of the Debtor. Additionally, nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator or manager of the Debtor and any distribution made to creditors of the Debtor will be deemed to have been made by the Debtor.

[48] **ORDERS** that the Debtor and its employees, current and former shareholders, officers, directors, agents and representatives shall fully cooperate with the Monitor in the exercise of its powers and discharge of its duties, rights and obligations as provided and set out in this Order.

[49] **ORDERS** that, without limiting the generality of anything herein, the Debtor and its Directors, Officers, employees and agents, accountants, auditors and all other Persons having notice of this Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property of the Debtor, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Debtor in connection with the Monitor's duties and responsibilities hereunder.

[50] **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Debtor with information in response to requests made by them in writing addressed to the Monitor and copied to the counsel for the Co-Applicants. In the case of information that is confidential, proprietary or competitive, the Monitor

shall not provide such information to any person unless otherwise directed by this Court.

[51] **DECLARES** that if the Monitor, in its capacity as Monitor, is deemed to have carried on the business of the Debtor or continues the employment of the Debtor's employees, the Monitor shall benefit from the provisions of Section 11.8 of the CCAA.

[52] **DECLARES** nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Property in lieu of the Debtor. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Property within the meaning of Environmental Legislation (as defined hereinafter).

[53] **ORDERS** and **DECLARES** that nothing herein shall impose upon the Monitor any obligation to take possession or assume control, care, charge or otherwise manage any of the Property (the "**Possession**"), including the Possession of any Property which may be polluted, which may constitute a pollutant or contaminant or which may cause the discharge, emission, the discharge or deposit of any substance contrary to any federal, provincial or other law relating to the protection, conservation, reclamation, restoration or rehabilitation of the environment or relating to the disposal of waste or any other form of contamination, including the *Canadian Environmental Protection Act*, 1999, CS 1999, c 33, the *Environment Quality Act*, RLRQ c Q-2, or the *Act respecting occupational health and safety*, RLRQ c S-2. 1, and their corresponding regulations (the "**Environmental Legislation**"). The Monitor shall not, by virtue of this Order or by reason of any action taken as a result of the exercise of its powers and duties under this Order, be deemed to have Possession of any of the Property within the meaning of any Environmental Legislation.

[54] **DECLARES** that entities related to or belonging to the same group as the Monitor shall also be entitled to the safeguards, benefits and privileges conferred upon the Monitor under this Order.

[55] **DECLARES** that Section 215 of the BIA applies *mutatis mutandis*, and no action or Proceeding shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out of the provisions of any order of this Court, except with prior leave of this Court, on at least seven (7) days' notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor, including the Monitor's legal counsel, shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.

[56] **ORDERS** that the Debtor shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel and the CLMI's legal counsel, related to these proceedings, any plan of compromise or arrangement to be filed in these proceedings and the Restructuring, whether incurred before or after this Order, and shall be authorized to provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.

XIII. COMEBACK HEARING

[57] **ORDERS** that a full hearing on the orders sought in the Application shall take place on May 15, 2025 (the "**Comeback Hearing**"), at a time and in a room, including virtually, of the Montréal Courthouse to be communicated to the Service List or at any other date, time and place determined by the Court and to be communicated to the Service List.

[58] **ORDERS** that any Person wishing to object to the remainder of the reliefs sought in the Application at the Comeback Hearing must serve responding materials or a written notice stating such party's objection and the grounds for same (a "**Notice of Objection**") to the Co-Applicants and the Monitor (and their respective counsels), with a copy to all other Persons on the service list prepared for the purpose of these proceedings, no later than 5:00 p.m. on the date that is three (3) calendar days prior to the presentation of such application or motion (the "**Objection Deadline**").

[59] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of these proceedings (the "**Presiding Judge**") the CLMI's counsel will advise the Presiding Judge of same, and the latter may determine: (a) whether such hearing will be in person, by videoconference, by telephone or by written submissions only; and (b) the parties from whom submissions are required (collectively, the "**Hearing Details**"). The CLMI's counsel shall advise all Persons on the Service List of the Hearing Details.

[60] **ORDERS** that, if a Notice of Objection is served by the Objection Deadline, all interested parties shall appear before the Presiding Judge at the Comeback Hearing, to either (i) proceed on some or all of the remainder of the relief sought by the Co-Applicants as part of the Application and/or (ii) establish a schedule for the delivery of materials and the hearing on the matters raised in the Notice of Objection, and render such other orders as the Court may deem appropriate in the circumstances.

XIV. FOREIGN PROCEEDINGS

[61] **ORDERS** that RCI, in its capacity as Monitor, is hereby authorized and empowered to act as foreign representative (in such capacity, the "**Foreign Representative**") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.

[62] **ORDERS** that the Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

[63] **DECLARES** that, for the purposes of any applications authorized by paragraphs [61] and [62], the Debtor's centre of main interest is located in the province of Québec, Canada.

XV. GENERAL

[64] **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors and Officers, employees, legal counsel or financial advisors of the Debtor, the CLMI or of the Monitor in relation to the Business or Property of the Debtor, without first obtaining leave of this Court, upon ten (10) days' written notice to the Co-Applicants' counsel, the Monitor's counsel, and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.

[65] **DECLARES** that this Order and any proceeding or sworn statement leading to this Order, shall not, in and of themselves, constitute a default or failure to comply by the Debtor under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

[66] **DECLARES** that, except as otherwise specified herein, the Debtor, the CLMI and the Monitor are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Debtor and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three (3) business days after mailing if by ordinary mail.

[67] **DECLARES** that the Debtor, the Monitor and the CLMI and any party to the proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing an electronic copy of such materials to counsels' email addresses as provided for on the Service List.

[68] **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on counsel for the Co-Applicants and counsel for the Monitor and has filed such notice with this Court, or appears on the Service List, save and except when an order is sought against a Person not previously involved in these proceedings.

[69] **DECLARES** that the Debtor, the CLMI and the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of this Order on notice only to each other.

[70] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon ten (10) days' notice to the Co-Applicants, the Debtor, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order, such application or motion

shall be filed during the Stay Period ordered by this Order, unless otherwise ordered by this Court.

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


[72] **AUTHORIZES** the Debtor, the CLMI or the Monitor to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America, or elsewhere, for orders which aid and complement this Order and any subsequent orders of this Court, including, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Debtor, the CLMI, the Monitor and the Foreign Representative as may be deemed necessary or appropriate for that purpose.

[73] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in Canada or elsewhere, to give effect to this Order and to assist the CLMI, the Debtor, the Monitor, and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby requested to make such orders and to provide such assistance to the CLMI, the Debtor, and the Monitor as may be necessary or desirable to give effect to this Order, to assist the CLMI, the Debtor, and the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order³.

[74] **ORDERS** that the ISA and its addendums (Exhibit R-6 to the Application) is confidential and is filed under seal.

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

[76] **THE WHOLE WITHOUT COSTS.**



JEAN-FRANÇOIS ÉMOND, J.S.C.

COPIE CERTIFIÉE CONFORME
AU DOCUMENT DÉTENU PAR LA COUR
Marié-Josée Côté, J.A.C.S.
Personne désignée par le greffier articles 67 C.p.c. et/ou
140 et 219 b) L.T.J / Officier autorisé L.f.i.

³ NTD: To be discussed whether a cross-border protocol should be added.