

# **SUPERIOR COURT**

(COMMERCIAL DIVISION)

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF FRONTENAC

N° : 235-11-000008-259

DATE : May 15, 2025

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

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

**ASBESTOS CORPORATION LIMITED**

Debtor/ Co-Applicants

and

**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 LIMITED**

CLMI/ Co-Applicants

and

**RAYMOND CHABOT INC.**

Monitor

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**AMENDED AND RESTATED INITIAL ORDER**

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[1] ON READING the Co-Applicants' Amended Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order dated May 6, 2025 (the "**Application**") filed in respect of Asbestos Corporation Limited ("**ACL**" or the "**Debtor**") 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] ON READING the supplemental affidavit of Thomas Ryan dated May 14, 2025 (the "**Supplemental Ryan Affidavit**");

[3] CONSIDERING the First Report to the Court submitted by Raymond Chabot Inc. ("**RCI**" or the "**Monitor**") in its capacity as Monitor dated May 14, 2025 (the "**Monitor's Report**");

[4] CONSIDERING the Initial Order issued by this Court on May 6, 2025;

[5] CONSIDERING the notification of the Application;

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

[7] CONSIDERING the provisions of the CCAA;

[8] CONSIDERING the reserve of the rights of Charles Foreman, Trustee for the estate of National Services Industries, Inc., and any other person represented by Davies Ward Philips and Vineberg LLP in these proceedings [paragraph 90];

[9] CONSIDERING the hearing to be held on June 17<sup>th</sup> and 18<sup>th</sup>, 2025 on the opposition of Foreman and any other person represented by Davies Ward Philips and Vineberg LLP regarding the stay order for the benefit of the Co-Applicant CLMI and third parties;

**THE COURT HEREBY:**

[10] GRANTS the Application.

[11] 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. Plan of Arrangement
- VI. Stay of Proceedings against the Co-Applicants, the Insurers and the Property
- VII. Stay of Proceedings against the Directors and Officers
- VIII. Possession of Property and Operations
- IX. No Exercise of Rights or Remedies
- X. No Interference with Rights
- XI. Continuation of Services
- XII. Non-Derogation of Rights
- XIII. Interim Financing
- XIV. Cash-Flow Forecasts
- XV. Directors and Officers' Charge
- XVI. Restructuring
- XVII. Powers of the Monitor
- XVIII. Priorities and General Provisions Relating to CCAA Charges
- XIX. Hearing Scheduling and Details
- XX. Foreign Proceedings
- XXI. General

### **SERVICE**

[12] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Co-Applicants to interested parties, including the secured creditors which are likely to be affected by the charges created herein, and that the Application is properly returnable today.

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

### **DEFINITIONS**

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

### **EFFECTIVE TIME**

[15] **DECLARES** that this Order and all its provisions are effective as of 12:01 a.m. Québec time, province of Québec, on May 15, 2025 (the "**Effective Time**").

### **APPLICATION OF THE CCAA**

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



**PLAN OF ARRANGEMENT**

[17] **DECLARES** that the Co-Applicants, in consultation with the Monitor, shall have the authority to file with this Court and to submit to the Debtor's creditors one or more plans of compromise or arrangement (a "**Plan**") on behalf or in respect of the Debtor in accordance with the CCAA.

**STAY OF PROCEEDINGS AGAINST THE CO-APPLICANTS, THE INSURERS AND THE PROPERTY**

[18] **ORDERS** that, until and including September 5, 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 CLMI<sup>1</sup>, including their third-party claims administrator Resolute Management Inc., and any Insurers, including any other third-party claims administrators, in each case, in connection with or related to, directly or indirectly, the Debtor (collectively, the "**Stay Parties**" which definition includes, for greater certainty, counsel to the Stay Parties both in Canada and in the United States, 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**") or any of the Property (as defined herein below), including as provided in paragraph [26] 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

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<sup>1</sup> 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 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.



filed against, *inter alia*, the Stay Parties, such as the Washington Proceeding, the South Carolina Proceeding, the California Proceeding 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 and the policies issued by the Insurers) of ACL (the "**Asbestos Proceedings**").

[19] **DECLARES** that the present Order does not prevent the Canada Revenue Agency (or any other federal entity, department or agency that has a right of set-off with Canada Revenue Agency) (the "**Federal Crown**") and the *Agence du revenu du Québec* (or any other provincial entity, department or agency that has a right of set-off with Agence du revenu du Québec) (the "**Provincial Crown**"), to set-off or compensate, if applicable:

- a) on one hand, any claim of the Federal Crown or the Provincial Crown against any Debtor, and, on the other hand, any amount owed to such Debtor by the Federal Crown or Provincial Crown, provided that the aforementioned claims and amount owed shall both be pertaining to periods prior to May 6, 2025 (the "**Filing Date**");
- b) on one hand, any claim of any of the Federal Crown or the Provincial Crown against any Debtor, and, on the other hand, any amount owed to such Debtor by the Federal Crown or Provincial Crown, provided that the aforementioned claims and amount owed shall both be pertaining to periods between the Filing Date and the end of the CCAA Proceedings.

[20] **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.

#### **STAY OF PROCEEDINGS AGAINST THE DIRECTORS AND OFFICERS**

[21] **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.

#### **POSSESSION OF PROPERTY AND OPERATIONS**

[22] **ORDERS** that, subject to the powers granted to the Monitor pursuant to this 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.

[23] **ORDERS** that, subject to the terms of the Interim Financing Term Sheet (defined hereinafter), 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 in accordance with the Cash-Flow Forecasts (as such term is defined hereinafter) annexed to the Monitor's Report, or otherwise with the prior consent of the Monitor and the Interim Lender:

- 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, 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.

[24] **ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the Interim Financing Term Sheet, 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 in accordance with the Cash-Flow Forecasts, or otherwise with the prior consent of the Monitor and the Interim Lender, 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.



[25] **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 in accordance with the Cash-Flow Forecasts, or otherwise with the prior consent of the Monitor and the Interim Lender:

- c) 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;
- d) 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.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

[26] **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 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.

[27] **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.



**NO INTERFERENCE WITH RIGHTS**

[28] **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.

**CONTINUATION OF SERVICES**

[29] **ORDERS** that during the Stay Period and subject to paragraph [31] 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.

[30] **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.

[31] **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 this 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.

### **NON-DEROGATION OF RIGHTS**

[32] **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.

### **INTERIM FINANCING**

[33] **ORDERS** that the Debtor is hereby authorized to borrow, repay and reborrow from Resolute Management Services Limited (in such capacity, the "**Interim Lender**") such amounts from time to time as may be considered necessary or desirable by the Debtor, up to a maximum principal amount of USD\$20,000,000 outstanding at any time, on the terms and conditions as set forth in the Interim Financing Term Sheet, Exhibit R-21 filed in support of the Supplemental Ryan Affidavit (the "**Interim Financing Term Sheet**"), and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of the Debtor and to pay such other amounts as are permitted by the terms of this Order and the Interim Financing Documents (as defined hereinafter) (the "**Interim Facility**").

[34] **ORDERS** that the Debtor is hereby authorized to execute and deliver the Interim Financing Term Sheet together with such credit agreements, security documents and other definitive documents (collectively, the "**Interim Financing Documents**") as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Term Sheet, and the Debtor is authorized to perform all of its obligations under the Interim Financing Documents.

[35] **ORDERS** that the Debtor shall pay to the Interim Lender, when due, all amounts owing, (including principal, interest, fees and expenses, including, without limitation, all reasonable fees and disbursements of counsel and all other reasonably required advisers or agents of the Interim Lender on a full indemnity basis (the "**Interim Lender Expenses**")) under the Interim Financing Documents and shall perform all of its other obligations to the Interim Lender pursuant to the Interim Financing Term Sheet, the Interim Financing Documents and this Order.

[36] **DECLARES** that all of the Property of the Debtor is hereby subject to a charge, hypothec and security for an aggregate amount of USD\$23,000,000 (the "**Interim Lender's Charge**") in favour of the Interim Lender as security for all obligations of the Debtor to the Interim Lender with respect to all amounts owing (including principal, interest



and the Interim Lender Expenses) under or in connection with the Interim Financing Term Sheet and the Interim Financing Documents. The Interim Lender's Charge shall subsist without necessity of any publication, registration, recording, filing or perfection, and shall have the priority established by paragraphs [63] and [64] of this Order.

[37] **ORDERS** that the claims of the Interim Lender pursuant to the Interim Financing Documents shall not be compromised or arranged pursuant to the Plan or these proceedings and the Interim Lender, in that capacity, shall be treated as unaffected creditors in these proceedings and in any Plan.

[38] **ORDERS** that the Interim Lender may:

- (a) notwithstanding any other provision of this Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender's Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate; and
- (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Debtor if it fails to meet the provisions of the Interim Financing Term Sheet and the Interim Financing Documents.

[39] **ORDERS** that the Interim Lender shall be entitled to take any and all enforcement steps under the Interim Financing Documents and otherwise permitted at law upon a default by the Debtor under the Interim Financing Documents, without having to send any demands under Section 244 of the BIA.

[40] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs [33] to [40] hereof unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party at least seven (7) days after that party was served with this Order (b) the Interim Lender applies for or consents to such order.

#### **CASH-FLOW FORECASTS**

[41] **ORDERS** that the cash-flow forecasts annexed to the Monitor's Report (the "**Cash-Flow Forecasts**") are hereby approved, and that the Debtor must comply with the Cash-Flow Forecasts, and **ORDERS** that any negative variance to the Cash-Flow Forecasts must be approved by the Monitor and the Interim Lender.

#### **DIRECTORS AND OFFICERS' CHARGE**

[42] **ORDERS** that the Debtor shall indemnify its Directors and Officers from all claims relating to any obligations or liabilities they may incur and which have accrued by reason of, or in relation to, their respective capacities as directors or officers of the Debtor after the Effective Time, except where such obligations or liabilities were incurred as a result



of such Director's or Officer's gross negligence, willful misconduct or gross or intentional fault as further detailed in Section 11.51 of the CCAA.

[43] **ORDERS** that the Directors and Officers of the Debtor shall be entitled to the benefit of and are hereby granted a charge, security and hypothec in the Property to the extent of the aggregate amount of USD\$300,000 (the "**Directors and Officers' Charge**"), as security for the indemnity provided in paragraph [42] hereof as it relates to obligations and liabilities of the Debtor's Directors and Officers in such capacity which may arise after the Effective Time. The Directors and Officers' Charge shall have the priority established by paragraphs [63] and [64] of this Order.

[44] **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors and Officers' Charge, and (b) the Debtor's Directors and Officers shall only be entitled to the benefit of the Directors and Officers' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors and Officers are entitled to be indemnified in accordance with paragraph [42] of this Order.

### **RESTRUCTURING**

[45] **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 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 any 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 [45]a);
- 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 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.

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

[47] **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 e) 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.

[48] **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.

[49] **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.

### **POWERS OF THE MONITOR**

[50] **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 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 these proceedings, 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 with respect to any insolvency proceedings commenced in respect of 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 this 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;

- o) may perform such other duties as are required by this Order or the CCAA or by this Court from time to time; and
- p) shall have the power to sell the Property of the Debtor by way of a sale and investment solicitation process.

[51] **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 CLMI:

- a) provide 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.

[52] **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.

[53] **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.

[54] **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.



[55] **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.

[56] **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.

[57] **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).

[58] **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.

[59] **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.

[60] **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.

[61] **ORDERS** that the Debtor shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel and 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.

[62] **DECLARES** that CLMI's legal counsel (Stikeman Elliott LLP and Simpson Thacher & Bartlett LLP), the Debtor's legal counsel (Fasken Martineau DuMoulin LLP), the Monitor as well as the Monitor's legal counsel (McCarthy Tétrault LLP and Orrick, Herrington & Sutcliffe LLP), as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted a charge, hypothec and security in the Property, to the extent of the aggregate amount of USD\$1,500,000 (the "**Administration Charge**"), having the priority established by paragraphs [63] and [64] of this Order.

#### **PRIORITIES AND GENERAL PROVISIONS RELATING TO CCAA CHARGES**

[63] **DECLARES** that the priorities of the Administration Charge, the Interim Lender's Charge and the Directors and Officers' Charge (collectively, the "**CCAA Charges**"), as between such CCAA Charges with respect to any Property to which they apply, shall be as follows:

- a) first, the Administration Charge;
- b) second, the Interim Lender's Charge; and
- c) third, the Directors and Officers' Charge.

[64] **DECLARES** that, except with respect to any security granted to Mazarin Inc., including notably the hypothec registered in the land register on November 24, 2022 under number 27 713 471, and the hypothec registered at the Register of Personal and Movable Real Rights under number 15-0402208-0001 (as renewed and updated by registrations 25-0547680-0002 and 25-0547680-0001, respectively), as such registration may be further renewed, amended or modified, each of the CCAA Charges shall rank in priority to any and all other claims, rights, hypothecs, mortgages, liens, security interests, priorities, charges, deemed trusts, encumbrances or security of whatever nature or kind, whether or not they have been registered, published or filed, including claims of His Majesty in right of Canada and His Majesty in right of a Province subject to a deemed trust (collectively, "**Encumbrances**") affecting the Property charged by such Encumbrances.

[65] **ORDERS** that, except as otherwise expressly provided for herein, the Debtor shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Debtor, as applicable, obtains the prior written consent of the Monitor, CLMI and the prior approval of the Court.

[66] **DECLARES** that each of the CCAA Charges shall attach, having the priority established by paragraphs [63] and [64] of this Order, as of the Effective Time, to all present and future Property of the Debtor, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

[67] **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of the CCAA Charges, as applicable, shall be valid and enforceable and not otherwise be limited or impaired in any way by: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy or receivership order(s) issued pursuant to BIA, or any bankruptcy or receivership order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of the Debtor; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtor (a "**Third-Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- a) the creation of any of the CCAA Charges shall not create nor be deemed to constitute a breach by the Debtor of any Third-Party Agreement to which the Debtor is a party; and
- b) the beneficiaries of the CCAA Charges shall not have any liability to any Person whatsoever as a result of any breach of any Third-Party Agreement caused by or resulting from the creation of the CCAA Charges.

[68] **DECLARES** that notwithstanding: (i) these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy or receivership order(s) issued pursuant to BIA, or any bankruptcy or receivership order made pursuant to such application(s) or any assignment(s) in bankruptcy made or deemed to be made in respect of the Debtor; and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtor pursuant to this Order and the granting of the CCAA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

[69] **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Debtor charged by the CCAA Charges and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtor.

#### **HEARING SCHEDULING AND DETAILS**

[70] **ORDERS** that, subject to further Order of this Court, all applications in these CCAA proceedings are to be brought by any moving party on not less than five (5) calendar days' notice to all Persons on the service list prepared by the Monitor or counsel for the



Monitor in connection with these CCAA proceedings (the "**Service List**"). Each application shall specify a date (the "**Initial Return Date**") and time (the "**Initial Return Time**") for the hearing.

[71] **ORDERS** that any Person wishing to object to the relief sought on an application in these CCAA proceedings must serve responding materials or a written notice stating the objection to the application and the grounds for such objection (a "**Notice of Objection**") in writing to the moving party, the Co-Applicants and the Monitor (and their respective counsels), with a copy to all Persons on the Service List, no later than 5:00 p.m. on the date that is three (3) calendar days prior to the Initial Return Date (the "**Objection Deadline**").

[72] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of these proceedings (the "**Presiding Judge**") may determine: (a) whether a hearing is necessary; (b) whether such hearing will be in person, by videoconference, by telephone or by written submissions only; and (c) the parties from whom submissions are required (collectively, the "**Hearing Details**"). In the absence of any such determination, a hearing will be held in the ordinary course.

[73] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, CLMI's counsel shall communicate with the Presiding Judge regarding whether a determination has been made by the Presiding Judge concerning the Hearing Details. CLMI's counsel shall thereafter advise the Service List of the Hearing Details and the Monitor shall report upon its dissemination of the Hearing Details to the Court in a timely manner, which may be contained in the Monitor's next report in these proceedings.

[74] **ORDERS** that, if a Notice of Objection is served by the Objection Deadline, the interested parties shall appear before the Presiding Judge on the Initial Return Date at the Initial Return Time, or such earlier or later time as may be directed by the Court, to, as the Court may direct: (a) proceed with the hearing on the Initial Return Date and at the Initial Return Time; or (b) establish a schedule for the delivery of materials and the hearing of the contested application and such other matters, including interim relief, as the Court may direct.

### **FOREIGN PROCEEDINGS**

[75] **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.

[76] **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.

[77] **DECLARES** that, for the purposes of any applications authorized by paragraphs [75] and [76], the Debtor's centre of main interest is located in the province of Québec, Canada.

**GENERAL**

[78] **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, 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.

[79] **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.

[80] **DECLARES** that, except as otherwise specified herein, the Debtor, 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.

[81] **DECLARES** that the Debtor, the Monitor and 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.

[82] **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.

[83] **DECLARES** that the Debtor, 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.

[84] **DECLARES** that any interested Person may apply to this Court to vary or rescind this 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.

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

[86] **AUTHORIZES** the Debtor, 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, CLMI, the Monitor and the Foreign Representative as may be deemed necessary or appropriate for that purpose.

[87] **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 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 CLMI, the Debtor, and the Monitor as may be necessary or desirable to give effect to this Order, to assist 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 Order.

[88] **ORDERS** that the ISA and its addendums (Exhibit R-6 to the Application) and Schedule B to the Monitor's Pre-Filing Report are confidential and are filed under seal.

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

[90] **DECLARES** that nothing in this Order shall be construed to limit, impair, or otherwise affect or prejudice the rights of (a) Charles Foreman, Chapter 7 Trustee for the estate of National Services Industries, Inc. (the "**Trustee**") or (b) any other person or entity, including without limitation any asbestos claimant, represented by Davies Ward Philips and Vineberg LLP in these proceedings under the *Companies Creditors Arrangement Act* (the "**Asbestos Claimants**" and together with the Trustee, the ("**Asbestos Parties**") to object to, oppose, or otherwise challenge the Stay provided for in paragraph [18]. All such rights, claims, defenses, and arguments are hereby expressly preserved.

[91] THE WHOLE WITHOUT COSTS.

A handwritten signature in blue ink, appearing to be 'J. Émond', with a stylized, flowing script.

JEAN-FRANÇOIS ÉMOND, j.c.s.

Hearing date      May 15, 2025