

Court File No. CV-25-00738691-00CL

MITEL NETWORKS CORPORATION

FIRST REPORT OF FTI CONSULTING CANADA INC., AS INFORMATION OFFICER

April 8th, 2025

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

**APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED**

**FIRST REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS INFORMATION OFFICER**

A. INTRODUCTION

1. On March 9 and 10, 2025 (the "**Petition Date**"), MLN TopCo Ltd. ("**TopCo**") and certain of its affiliates, including Mitel Networks Corporation ("**MNC**") (collectively, the "**Debtors**"), filed voluntary petitions for relief in the United States Bankruptcy Court for the Southern District of Texas (the "**U.S. Bankruptcy Court**") pursuant to chapter 11 of title 11 of the United States Code (the "**Chapter 11 Cases**").
2. In its capacity as the then proposed foreign representative of the Debtors in the Chapter 11 Cases (the "**Foreign Representative**"), MNC sought and, on March 10, 2025, obtained an order (the "**Interim Stay Order**") under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of MNC and its property and business in Canada, and directors and officers. A copy of the Interim Stay Order is attached as Appendix "A".
3. On March 10, 2025, the Debtors filed several first day motions in the Chapter 11 Cases (collectively, the "**First Day Motions**") for various orders (collectively, the "**First Day Orders**"). Copies of the First Day Motions and the First Day Orders, together with all other publicly filed information in the Chapter 11 Cases, are available on the case website maintained by *Stretto*

Inc. at the following address: <https://cases.stretto.com/mitel/> (the “**Docket**”). Following a hearing of the First Day Motions on March 11, 2025, the U.S. Bankruptcy Court granted the following First Day Orders¹:

- (a) the Joint Administration Order;
- (b) the Claims Agent Retention Order;
- (c) the Cash Management Order;
- (d) the Wages Order;
- (e) the Critical Vendors Order;
- (f) the Taxes Order;
- (g) the Utilities Order;
- (h) the NOL Order;
- (i) the Customer Programs Order;
- (j) the Stay Enforcement Order;
- (k) the Insurance Order;
- (l) the Interim DIP Order; and
- (m) the Foreign Representative Order.

4. On March 19, 2025, the Foreign Representative sought and obtained the following orders under Part IV of the CCAA from the Court:

- (a) an order (the “**Initial Recognition Order**”), among other things:

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Pre-Filing Report of FTI, in its then capacity as the proposed Information Officer, dated March 17, 2025 (the “**Pre-Filing Report**”), a copy of which is attached hereto as Appendix “B”, the Affidavit of Janine Yetter sworn March 10, 2025 (the “**Yetter Affidavit**”), the declaration of Janine Yetter dated March 10, 2025 (the “**Yetter Declaration**”) or the Affidavit of Andrew Harnes sworn March 14, 2025 (the “**Second Harnes Affidavit**”).

- (i) recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of MNC, and MNC as the “foreign representative” in respect of the Chapter 11 Cases, as such terms are defined in section 45 of the CCAA; and
 - (ii) granting a stay of proceedings and declaring that the Interim Stay Order shall be of no further force or effect upon the granting of the Initial Recognition Order and the Supplemental Order (as defined below); and
- (b) an order (the “**Supplemental Order**”), among other things:
- (i) recognizing certain of the First Day Orders;
 - (ii) appointing FTI Consulting Canada Inc. (“**FTI**”) as Information Officer (in such capacity, the “**Information Officer**”), in these recognition proceedings (these “**Recognition Proceedings**”);
 - (iii) granting a charge over the assets and property of MNC in Canada in favour of Canadian counsel to the Foreign Representative, the Information Officer and counsel to the Information Officer up to a maximum amount of CDN\$500,000, as security for their professional fees and disbursements (the “**Administration Charge**”);
 - (iv) granting a charge over the assets and property of MNC in Canada in favour of the directors and officers of MNC, up to a maximum amount of CDN\$3.8 million, as security for the Debtors’ indemnification obligations under the Supplemental Order (the “**D&O Charge**”); and
 - (v) granting a charge over the assets and property of MNC in Canada in favour of the DIP Lenders (the “**DIP Charge**”), which DIP Charge shall be consistent with the liens and charges created by or set forth in the Interim DIP Order (the “**DIP Charge**”).
5. Pursuant to the Supplemental Order, the priorities of the above charges are as follows:
- (a) First – Administration Charge;
 - (b) Second – D&O Charge; and
 - (c) Third – DIP Charge.

6. Copies of the Initial Recognition Order and the accompanying endorsement of the Honourable Justice Conway dated March 19, 2025, are attached as Appendices “C” and “D”, respectively. The Supplemental Order can be found on the Information Officer’s website: <https://cfcanada.fticonsulting.com/mitelcanada/>.
7. This First Report (this “**First Report**”) is filed by the Information Officer in these Recognition Proceedings to provide the Court with the following information:
 - (a) certain background information concerning the Debtors, the Chapter 11 Cases and these Recognition Proceedings (together, the “**Restructuring Proceedings**”);
 - (b) the Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Second Supplemental Order**”), among other things, recognizing and enforcing the following orders of the U.S. Court (collectively, the “**Foreign Orders**”), each of which are final versions of interim orders that were granted by the U.S. Bankruptcy Court as part of the First Day Orders and recognized by the Court pursuant to the Supplemental Order:
 - (i) *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Provide Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief* (the “**Final DIP Order**”);
 - (ii) *Final Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms and Books and Records, and (D) Continue to Perform Intercompany Transactions; and (II) Granting Related Relief* (the “**Final Cash Management Order**”); and
 - (iii) *Final Order (I) Establishing Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Interests of MLN US Topco Inc. and (II) Granting Related Relief* (the “**Final NOL Order**”);
 - (c) a summary of the recent developments of the Chapter 11 Cases; and
 - (d) a summary of the activities of the Information Officer since its appointment.

B. TERMS OF REFERENCE

8. In preparing this report, the Information Officer has relied upon certain information prepared by the Debtors and their representatives, the Debtors' books and records, and discussions with Canadian counsel to the Foreign Representative (collectively, the "**Information**").
9. Except as described in this First Report:
 - (a) the Information Officer has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the "**Handbook**") and, accordingly, the Information Officer expresses no opinion or other form of assurance in respect of the Information; and
 - (b) the Information Officer has not examined or reviewed forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Handbook.
10. Future oriented financial information reported in or relied in preparing this First Report is based on the assumptions and estimates of the Debtors' management. Actual results may vary from such information and these variations may be material.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in United States ("**U.S.**") dollars.

C. BACKGROUND

12. A detailed description of the Debtors, including MNC, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings is provided in the Yetter Affidavit and Yetter Declaration. Certain of such information is summarized below.
13. At a high level, the Debtors have commenced the Chapter 11 Cases to give effect to a comprehensive restructuring transaction to be implemented pursuant to a prepackaged chapter 11 plan (the "**Restructuring Transactions**"). The Restructuring Transactions primarily address the Mitel Group's secured debt, providing for a substantial deleveraging of the Company's balance sheet, including by equitizing the Company's Senior Loans and Junior Loans into reorganized equity.

14. The Restructuring Transactions have the support of the Mitel Group's key stakeholders. As described in the Yetter Affidavit, the Company has entered into a Restructuring Support Agreement (the "**RSA**") with holders of 100% of the ABL Loan Claims, 72.1% of the Priority Lien Claims, and over 81.1% of the Non-Priority Lien Term Loan Deficiency Claims, pursuant to which such parties have agreed, subject to the terms and conditions of the RSA, to vote in favour of the chapter 11 plan through which the Restructuring Transactions will be implemented.
15. General unsecured creditors are to be unimpaired as part of the implementation of the Restructuring Transactions and treated in the normal course.

Overview of the Debtors and Their Business

16. The Debtors (including MNC) and other non-Debtor affiliates comprise the "**Mitel Group**" (also referred to herein as the "**Company**"), which is a global provider of business communications and collaboration solutions, including telecommunication products, collaboration platforms, and technical services. The Mitel Group does business in 146 countries, including Canada, the country in which it was originally founded.
17. The Mitel Group was acquired by Searchlight Capital Partners L.P. ("**Searchlight**") in 2018 and taken private, which resulted in MNC becoming a direct wholly-owned subsidiary of Mitel Networks (International) Limited ("**MNIL**"), a private limited company incorporated under the laws of England and Wales. In addition to TopCo, a private Cayman Islands company, and MNIL, the other Debtors in the Chapter 11 Cases include 12 of MNIL's United States subsidiaries, MNC and Mitel Europe Limited ("**Mitel Europe**"), a United Kingdom limited company.
18. The Mitel Group operates its global business on an integrated basis under the oversight of senior management. Its leadership team is spread out across the United States, Canada and Europe with six of the 11 executive leaders based in the United States, including the Company's Chief Executive Officer and Chief Financial Officer.

The Canadian Business

19. MNC is the principal entity through which the Company conducts its business in Canada (the "**Canadian Business**"). The Canadian Business services the Canadian market on behalf of the Mitel Group, contracting with both Canadian and international customers and vendors.

20. MNC employs 323 individuals in Canada, which represents approximately 7.5% of the Mitel Group's total workforce. MNC's registered and head office is located at 4000 Innovation Drive, Ottawa, Ontario, K2K 3K1 Canada (the "**Ontario Office**").
21. MNC owns much of the Company's intellectual property, which includes (a) approximately 902 patents and designs (127 of which are registered in Canada); (b) approximately 166 trademarks (23 of which are registered in Canada); and (c) approximately 50 registered copyrights (10 of which are registered in Canada).
22. MNC employees provide services to both MNC and the Mitel Group more generally. For instance, employees at the Ontario Office are responsible for marketing, finance, and accounting, among other workstreams, that support both MNC and the Mitel Group at large.
23. MNC is a guarantor of the entire \$1.31 billion of funded indebtedness of the Mitel Group and has granted liens on all its assets and property as security in respect of its guarantees of the Senior Loans and the Junior Loans.
24. MNC is deeply integrated within the broader Mitel Group, including from a financing, funding, cash management, human resources and operational perspective.

Financial Overview

25. The Company has endured financial struggles for the last several years. In an effort to combat operational and liquidity issues, the Company consummated a transaction in 2022 involving (a) the provision of \$156 million in new money financing in priority to existing loans; and (b) the Company purchasing existing loans in exchange for \$701 million of two tranches of higher-priority loans ranking behind the new money financing but in priority to the existing loans (the "**2022 Transaction**").
26. As described in greater detail in the Yetter Affidavit, despite the implementation of the 2022 Transaction and various other strategic initiatives, the Company has struggled to eliminate its liquidity issues. Recently, the Company has endured various industry and external challenges that resulted in adverse impacts on its operations. The shift to remote work caused by the COVID-19 pandemic resulted in a reduced demand for the Company's in-office communication products. Post-pandemic, hybrid communications solutions have become more desirable, but the Company's efforts to adapt to this shift were hindered by liquidity constraints. Furthermore, inflation and supply chain disruptions increased the Company's

material costs and increasing interest rates in the United States worsened the Company's financial and liquidity position.

Indebtedness of the Mitel Group

27. The secured debt obligations of the Company as of the Petition Date are summarized below.

<u>Description</u>	<u>Secured Funded Debt</u>	<u>Maturity</u>	<u>Appx. Principal Amount Outstanding (as of March 2025)</u>
ABL Loans	Swiss ABL Loans	May 2027	\$3 million
	Non-Swiss ABL Loans	May 2027	\$14 million
Senior Loans	Priority Lien Term Loans	October 2027	\$156 million
	Incremental Revolving Loans	November 2025	\$64 million
	Second Lien Term Loans	October 2027	\$576 million
	Third Lien Term Loans	October 2027	\$125 million
	Third Lien Additional Facility	October 2027	\$32 million
Junior Loans	Legacy Senior Term Loans	November 2025	\$235 million
	Legacy Junior Term Loans	November 2026	\$108 million
		<u>Total Secured Funded Debt</u>	<u>\$1.31 billion</u>

28. MNC is a guarantor of the obligations under the ABL Loans, the Senior Loans and the Junior Loans, and has also granted security interests in, among other things, its existing and after acquired personal property in respect of its guarantees of the Senior Loans and the Junior Loans. MNC has not granted security in respect of its guarantee of the ABL Loans. An “**Omnibus Intercreditor Agreement**” amongst various of the Company's creditors governs, among other things, the rights, interest, obligations, priority, and positions of the liens and claims to the common collateral under the Senior Loans and the Junior Loans.

29. As set out in the Pre-Filing Report, counsel to the Information Officer has provided the Information Officer with an independent security opinion (the “**Security Opinion**”) on the validity of the security granted by MNC in respect of its guarantees of the Priority Lien Loans. Pursuant to the Security Opinion, independent counsel concluded that, in its view and subject to standard qualifications and restrictions, the security granted by MNC is valid and enforceable against MNC. Further, the Security Opinion concludes that all relevant registrations were made to perfect such security with respect to the personal property of MNC.

Unsecured Obligations

30. MNCs unsecured obligations mainly include: (i) accounts payable and accrued liabilities owed to trade vendors and ordinary course professionals; (ii) amounts owed under various equipment and real estate lease agreements; (iii) provincial sales taxes; (iv) employee liabilities including accrued payroll and statutory remittances, accrued vacation, accrued bonuses and commissions, and termination and severance liability owed to former employees; (v) intercompany balances; (vi) deferred customer revenues; and (vii) unsecured guarantee in respect of the ABL Loans.
31. MNC's general unsecured creditors are expected to be unimpaired in the Restructuring Proceedings.

D. RECENT DEVELOPMENTS IN THE RESTRUCTURING PROCEEDINGS

Chapter 11 Proceedings and the Foreign Orders

32. Since the U.S. Bankruptcy Court granted the First Day Orders, the Debtors, including MNC, have continued to advance the Chapter 11 Cases and these CCAA Recognition Proceedings with a view to completing the Restructuring Transactions.
33. On or after March 10, 2025, in accordance with the milestones under the RSA, the Debtors filed a chapter 11 plan of reorganization (the "**Plan**") and a disclosure statement in respect thereof (the "**Disclosure Statement**"). The Plan, among other things, sets out the terms of the proposed Restructuring Transactions.
34. A hearing before the U.S. Bankruptcy Court to consider the adequacy of the Disclosure Statement and confirmation of the Plan (among other things) is scheduled for April 17, 2025. The Foreign Representative has scheduled a hearing before this Court on April 24, 2025, to seek recognition of the Confirmation Order (if granted) and certain additional relief.
35. The Debtors had scheduled a hearing before the U.S. Bankruptcy Court to seek the Foreign Orders, which are final versions of interim orders that had been granted by the U.S. Bankruptcy Court as part of the First Day Orders and recognized by this Court pursuant to the Supplemental Order. The Information Officer understands that all of the Foreign Orders were filed under certification of counsel in advance of such hearing, and all of the Foreign Orders were granted by the U.S. Bankruptcy Court without requiring a hearing. The Foreign

Representative now seeks recognition of the Foreign Orders by this Court pursuant to the proposed Second Supplemental Order.

36. The Foreign Orders are described in detail in their applicable motions, which are attached to the Third Affidavit of Andrew Harmes, sworn April 2, 2025 (the “**Third Harmes Affidavit**”), as Exhibits “B-D”. Copies of the Foreign Orders are also attached to the Third Harmes Affidavit as Exhibits “E-G”.
37. The Information Officer has reviewed the Foreign Orders and, where applicable, discussed them with its independent counsel and counsel to the Foreign Representative. The Information Officer is of the view that much of the relief contained in the Foreign Orders is common in chapter 11 cases and is frequently recognized by Canadian courts in cross-border insolvency proceedings. A summary of each of the Foreign Orders proposed to be recognized is set out below (with capitalized terms used but not defined herein having the definitions in the applicable Foreign Orders).
38. *Final Dip Order* – in connection with the RSA, certain members of the Ad Hoc Group and certain other holders of Priority Lien Loans, agreed to provide DIP Financing consisting of US\$60 million of DIP New Money Term Loans, and refinanced Priority Lien Loans through the roll-up of an aggregate principal amount of US\$62 million of Priority Lien Loans held by the lenders under the facility. The Final DIP Order, among other things: (i) authorizes the Debtors to obtain such DIP Financing; (ii) grants DIP Liens on the DIP Collateral to secure DIP Obligations; and (iii) authorizes the Debtors to use Prepetition Collateral, including Cash Collateral of the Prepetition Secured Parties. Recognition by this Court of the Final DIP Order is a milestone under the RSA.
39. *Final Cash Management Order* – the Mitel Group operates the Cash Management System, which is a sophisticated cash management system comprised of over 200 bank accounts, in which MNC participates. The Final Cash Management Order, among other things: (i) authorizes the Debtors to continue to operate the Cash Management System, honor certain prepetition obligations related thereto, maintain existing business forms and books and records in the ordinary course and continue to perform certain intercompany transactions; and (ii) grants related relief.
40. *Final NOL Order* – The Mitel Group has certain existing tax attributes and may incur additional tax attributes during the pendency of the Chapter 11 Cases and these CCAA recognition proceedings, which may be of significant value to the Debtors. The Final NOL Order, among

other things: (i) approves notification and hearing procedures related to certain transfers of, or declarations of worthlessness with respect to, equity interests of TopCo; (ii) directs that any purchase, sale, or other transfer of, or declaration of worthlessness with respect to, Beneficial Ownership of Interests in violation of such procedures shall be null and void *ab initio*; and (iii) grants related relief, all of which is intended to permit the Debtors' to take steps, as necessary, to preserve and maximize the value of such tax attributes.

CCAA Proceedings

41. Pursuant to the Initial Recognition Order, the Information Officer published notices of the Initial Recognition Order and Supplemental Order in The Globe and Mail on March 24, 2025 and March 31, 2025. These notices are attached to this First Report as Appendices "E" and "F", respectively.
42. The Company has been operating in accordance with its cash flow forecast, and no material operational issues have occurred.

E. ACTIVITIES OF THE INFORMATION OFFICER

43. To date, the activities of the Information Officer have included, among other things:
 - (a) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;
 - (b) preparing for the Foreign Representative's application for the Interim Stay Order, the Initial Recognition Order and the Supplemental Order;
 - (c) assisting the Foreign Representative and its Canadian legal counsel in determining the appropriate quantum of both the Administration Charge and the D&O Charge;
 - (d) engaging in discussions with the Debtors' financial advisors to understand the Debtors' cash flows projections, contemplated sources and uses of DIP funding, and nature of intercompany transactions involving MNC;
 - (e) establishing and updating the Case Website;
 - (f) establishing and monitoring the Information Officer's mailbox and hotline and responding to enquiries;

- (g) communicating with advisors to the Debtors, the Debtors' Canadian legal counsel, and the Information Officer's counsel regarding matters relevant to the Chapter 11 Cases and the Recognition Proceedings;
- (h) preparing and publishing notice of recognition orders in The Globe and Mail newspaper; and
- (i) preparing the Pre-Filing Report and this First Report.

F. CONCLUSION

- 44. The Company has determined that an out-of-court refinancing of its existing indebtedness would not be feasible, and as such, opted to pursue a comprehensive restructuring pursuant to the Restructuring Transactions. The Restructuring Transactions aim to significantly deleverage the Company's balance sheet, reduce funded indebtedness, reduce annual cash interest expenses, and position the reorganized Debtors for long-term growth.
- 45. The Company is of the view that recognition of the Foreign Orders by this Court pursuant to the Second Supplemental Order is appropriate to preserve the value of MNC and ensure judicial coordination and comity while the Debtors work to implement the comprehensive Restructuring Transactions pursuant to the Chapter 11 Cases. In the Information Officer's view, nothing in the Second Supplemental Order is contrary to public policy.
- 46. For the reasons set out in this First Report, the Information Officer supports the relief sought by the Foreign Representative on the within application and respectfully recommends that the Court grant the Second Supplemental Order.

[SIGNATURE PAGE FOLLOWS]

The Information Officer respectfully submits to the Court this, its First Report. Dated this 8th day of April, 2025.

FTI Consulting Canada Inc.,

solely in its capacity as Information Officer of Mitel Networks Corporation, and not in its personal or corporate capacity.

FTI CONSULTING CANADA INC.



By:

Name: Jeffrey Rosenberg

Title: Senior Managing Director

APPENDIX "A"
[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
)
JUSTICE CONWAY) MONDAY, THE 10TH
) DAY OF MARCH, 2025

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED**

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

**APPLICATION OF MITEL NETWORKS CORPORATION UNDER
SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

Applicant

**INTERIM STAY ORDER
(FOREIGN PROCEEDING)**

THIS APPLICATION, made pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, by Mitel Networks Corporation ("**MNC**"), in its capacity as the proposed foreign representative (in such capacity, the "**Proposed Foreign Representative**") in respect of the proceedings commenced on March 10, 2025, in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**"), for an Order substantially in the form enclosed in the Application Record of MNC, was heard this day by videoconference in Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Janine Yetter sworn March 10, 2025 (the "**Yetter Affidavit**") and the Affidavit of Andrew Harmes sworn March 10, 2025.

AND ON HEARING the submissions of counsel for the Proposed Foreign Representative, counsel for FTI Consulting Canada Inc., in its capacity as the proposed

information officer (the “**Proposed Information Officer**”), and counsel for such other parties as were present and wished to be heard:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that until such date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of MNC or affecting its business (the “**Business**”) or its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), except with the written consent of MNC, or with leave of this Court, and any and all Proceedings currently under way against or in respect of MNC, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

3. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities or person (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of MNC, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of MNC, or with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceeding, (ii) empower MNC to carry on any business in Canada which MNC is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

4. **THIS COURT ORDERS** that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or held by MNC and affecting the Business or Property in Canada, except with the written consent of MNC, or with leave of this Court.

ADDITIONAL PROTECTIONS

5. **THIS COURT ORDERS** that, during the Stay Period, all Persons having oral or written agreements with MNC or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation, all licencing arrangements, manufacturing arrangements, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of MNC, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by MNC, and that MNC shall be entitled to the continued use in Canada of its current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses and domain names.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

6. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of MNC with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of MNC whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

NO SALE OF PROPERTY

7. **THIS COURT ORDERS** that, except with the leave of this Court, MNC is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its Business, any of its Property in Canada that relates to the Business; and
- (b) any of its other Property in Canada.

SERVICE AND NOTICE

8. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure*, service of documents in accordance with the Protocol will be effective on transmission.

9. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, MNC, the Proposed Information Officer, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic transmission to MNC’s creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown on the records of MNC and that any such service or distribution shall be deemed to be received (a) in the case of delivery by personal delivery, facsimile or electronic transmission, on the date of delivery or transmission, (b) in the case of delivery by prepaid ordinary mail, on the third business day after mailing, and (c) in the case of delivery by courier, on the next business day following the date of forwarding thereof. For greater certainty, any such distribution or service by electronic transmission shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within

the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

10. **THIS COURT ORDERS** that any party may, from time to time, apply to this Court for such further or other relief as it may advise, including for directions in respect of this Order.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada, the United States of America or any other foreign jurisdiction, to give effect to this Order and to assist MNC and its counsel and agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to MNC as may be necessary or desirable to give effect to this Order, or to assist MNC and its agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that this Order shall be effective as of the time of the filing of the Petition (as defined in the Yetter Affidavit) in respect of MNC without the need for entry or filing of this Order.


Justice Conway

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF MITEL NETWORKS CORPORATION
APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INTERIM STAY ORDER
(FOREIGN PROCEEDING)

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APPENDIX "B"
[ATTACHED]

Court File No. CV-25-00738691-00CL

MITEL NETWORKS CORPORATION

**PRE-FILING REPORT OF FTI CONSULTING CANADA INC., AS PROPOSED
INFORMATION OFFICER**

March 17th, 2025

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

**APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED**

**PRE-FILING REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSED INFORMATION OFFICER**

A. INTRODUCTION

1. On March 9 and 10, 2025 (the “**Petition Date**”), MLN TopCo Ltd. (“**TopCo**”) and certain of its affiliates, including Mitel Networks Corporation (“**MNC**”) (collectively, the “**Debtors**”), filed voluntary petitions for relief in the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Bankruptcy Court**”) pursuant to chapter 11 of title 11 of the United States Code (the “**Chapter 11 Cases**”).
2. In its capacity as the then proposed foreign representative of the Debtors in the Chapter 11 Cases (the “**Foreign Representative**”), MNC sought and, on March 10, 2025, obtained an order (the “**Interim Stay Order**”) under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Among other things, the Interim Stay Order granted an interim stay of proceedings in favour of MNC and its property and business in Canada, and directors and officers. A copy of the Interim Stay Order is attached as Appendix “A”.
3. On March 10, 2025, the Debtors filed several first day motions in the Chapter 11 Cases (collectively, the “**First Day Motions**”) for various orders (collectively, the “**First Day Orders**”). Following a hearing of the First Day Motions on March 11, 2025, the U.S. Bankruptcy Court granted the following First Day Orders:
 - (a) *Order (A) Directing Joint Administration of Related Chapter 11 Cases and (B) Granting Related Relief* (the “**Joint Administration Order**”);

- (b) *Order Authorizing the Employment and Retention of Stretto Inc. as Claims, Noticing, and Solicitation Agent* (the “**Claims Agent Retention Order**”);
- (c) *Final Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms and Books and Records, and (D) Continue to Perform Intercompany Transactions and (II) Granting Related Relief* (the “**Cash Management Order**”);
- (d) *Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* (the “**Wages Order**”);
- (e) *Final Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims of (A) Critical Vendors, (B) Lien Claimants, (C) Certain Critical Foreign Claimants, and (D) 503(b)(9) Claimants, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief* (the “**Critical Vendors Order**”);
- (f) *Order (I) Authorizing the Payment of Certain Taxes and Fees and (II) Granting Related Relief* (the “**Taxes Order**”);
- (g) *Order (I) Approving the Debtors’ Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors’ Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief* (the “**Utilities Order**”);
- (h) *Final Order (I) Establishing Notification and Hearing Procedures for Certain Transfers of and Declarations of Worthlessness with Respect to Interests of MLN US TopCo Inc. and Claims Against the Debtors and (II) Granting Related Relief* (the “**NOL Order**”);
- (i) *Order (I) Authorizing the Debtors to Maintain and Administer Their Existing Customer and Partner Programs and Contracts, and Honor Certain Prepetition Obligations Related Thereto and (II) Granting Related Relief* (the “**Customer Programs Order**”);
- (j) *Order (I) Restating and Enforcing the Worldwide Automatic Stay, Anti-*

*Discrimination Provisions, and Ipso Facto Protections of the Bankruptcy Code; (II) Approving the Form and Manner of Notice Related Thereto; and (III) Granting Related Relief (the “**Stay Enforcement Order**”);*

(k) *Order (I) Authorizing the Debtors to (A) Continue Prepetition Insurance Coverage and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Continue to Pay Brokerage Fees, Honor the Terms of Premium Financing Agreements and Pay Premiums Thereunder, (E) Enter into New Agreements to Finance Premiums in the Ordinary Course of Business, and (F) Maintain Their Surety Bond Program, and (II) Granting Related Relief (the “**Insurance Order**”);*

(l) *Interim Order (I) Authorizing the Debtors to (A) Obtain Senior Secured Postpetition Financing, (B) Use Cash Collateral and (C) Grant Liens and Provide Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (IV) Granting Related Relief (the “**Interim DIP Order**”);*
and

(m) *Order (I) Authorizing Mitel Networks Corporation to Act as Foreign Representative, and (II) Granting Related Relief (the “**Foreign Representative Order**”).*

4. This Pre-Filing Report (this “**Pre-Filing Report**”) is filed by FTI Canada Consulting Inc. (“**FTI**”), in its capacity as the proposed information officer (in such capacity, the “**Proposed Information Officer**”) in these recognition proceedings (the “**Recognition Proceedings**”). The purpose of this Pre-Filing Report is to provide the Court with the following:

(a) certain background information concerning the Debtors, the Chapter 11 Cases and these Recognition Proceedings (together, the “**Restructuring Proceedings**”);

(b) qualifications of FTI to act as the information officer in these Recognition Proceedings (if appointed in such capacity, the “**Information Officer**”);

(c) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Initial Recognition Order**”), among other things:

(i) recognizing MNC as the foreign representative in respect of the Chapter 11

Cases; and

- (ii) recognizing the Chapter 11 Cases as a “foreign main proceeding” in respect of MNC;
- (d) the Proposed Information Officer’s views regarding the Foreign Representative’s application for an order (the “**Supplemental Order**”), among other things:
 - (i) recognizing certain of the First Day Orders;
 - (ii) granting a stay of proceedings in respect of MNC and its directors and officers;
 - (iii) appointing FTI as Information Officer in respect of these proceedings;
 - (iv) granting a charge over the assets and property of MNC in Canada in favour of Canadian counsel to MNC, the Information Officer and counsel to the Information Officer (the “**Administration Charge**”);
 - (v) granting a charge over the assets and property of MNC in Canada to secure the indemnity obligations of MNC to its directors and officers in respect of obligations and liabilities that such directors and officers may incur during these proceedings in their capacities as such (the “**D&O Charge**”); and
 - (vi) granting a charge over the assets and property of MNC in Canada to secure the DIP Financing (the “**DIP Charge**”).

B. TERMS OF REFERENCE

5. In preparing this report, the Proposed Information Officer has relied upon certain information prepared by the Debtors and their representatives, the Debtors’ books and records, and discussions with Canadian counsel to the Foreign Representative (collectively, the “**Information**”).
6. Except as described in this Pre-Filing Report:
 - (a) The Proposed Information Officer has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the “**Handbook**”) and, accordingly, the Proposed Information Officer expresses no opinion or other form of assurance in respect of the Information; and

- (b) The Proposed Information Officer has not examined or reviewed forecasts and projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Handbook.
7. Future oriented financial information reported in or relied in preparing this Pre-Filing Report is based on the assumptions and estimates of the Debtors' management. Actual results may vary from such information and these variations may be material.
 8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States ("U.S.") dollars. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Affidavit of Janine Yetter sworn March 10, 2025 (the "**First Yetter Affidavit**") or the declaration of Janine Yetter dated March 10, 2025 (the "**Yetter Declaration**").
- C. FTI'S QUALIFICATIONS TO ACT AS THE INFORMATION OFFICER**
9. FTI is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended. FTI has consented to act as the Information Officer if the Court grants the Initial Recognition Order and Supplemental Order sought by the Foreign Representative. A copy of FTI's consent to act is attached as **Appendix "B"**.
 10. FTI personnel are familiar with the business and operations of the Debtors and the key issues and stakeholders in these Recognition Proceedings. Further, FTI has substantial experience in domestic and cross-border restructuring proceedings under the CCAA, including by virtue of its role as the Court-appointed information officer in other complex mandates.
 11. FTI has searched its conflicts database in accordance with its usual practice and internal policies. FTI is not aware of any conflict of interest that would prevent it from acting as the Information Officer in these Recognition Proceedings.
 12. Pursuant to the engagement letter dated August 11, 2024 (the "**FTI Consulting Engagement Letter**"), the Debtors have retained FTI Consulting, Inc. ("**FTI Consulting**"), an affiliate of FTI, to provide various consulting and advisory services during the Chapter 11 Cases; however, these services are to be distinct, specific and separate from those provided by FTI in its capacity as Information Officer in these Recognition Proceedings.
 13. These services include, but are not limited to, assistance with the preparation of financial related disclosures required by the U.S. Bankruptcy Court, assistance with the

identification and implementation of short-term cash management procedures, assistance with the preparation of financial information for distribution to creditors, analyzing creditor claims and other related matters.

14. In a number of complex cross-border restructurings, FTI Consulting has been retained as the debtors' financial advisor during the Chapter 11 cases and FTI has also been appointed to act as Information Officer in the corresponding recognition proceedings.

D. BACKGROUND

15. A detailed description of the Debtors, including MNC, their businesses, corporate structure, prepetition capital structure and indebtedness, and the events preceding the Chapter 11 Cases and these Recognition Proceedings is provided in the First Yetter Affidavit and Yetter Declaration. Certain of such information is summarized below.

Overview of the Debtors and Their Business

16. The Debtors (including MNC) and other non-Debtor affiliates comprise the “**Mitel Group**” (also referred to herein as the “**Company**”), which is a global provider of business communications and collaboration solutions, including telecommunication products, collaboration platforms, and technical services. The Mitel Group does business in 146 countries, including Canada, the country in which it was originally founded.
17. The Mitel Group was acquired by Searchlight Capital Partners L.P. (“**Searchlight**”) in 2018 and taken private, which resulted in MNC becoming a direct wholly-owned subsidiary of Mitel Networks (International) Limited (“**MNIL**”), a private limited company incorporated under the laws of England and Wales. In addition to TopCo, a private Cayman Islands company, and MNIL, the other Debtors in the Chapter 11 Cases include 12 of MNIL's United States subsidiaries, MNC and Mitel Europe Limited (“**Mitel Europe**”), a United Kingdom limited company.

The Canadian Business

18. MNC is the principal entity through which the Company conducts its business in Canada (the “**Canadian Business**”). The Canadian Business services the Canadian market on behalf of the Mitel Group, contracting with both Canadian and international customers and vendors.
19. MNC employs 323 individuals in Canada, which represents approximately 7.5% of the Mitel Group's total workforce. MNC's registered and head office is located at 4000

Innovation Drive, Ottawa, Ontario, K2K 3K1 Canada (the “**Ontario Office**”).

20. MNC owns much of the Company’s intellectual property, which includes (a) approximately 902 patents and designs (127 of which are registered in Canada); (b) approximately 166 trademarks (23 of which are registered in Canada); and (c) approximately 50 registered copyrights (10 of which are registered in Canada).
21. MNC employees provide services to both MNC and the Mitel Group more generally. For instance, employees at the Ontario Office are responsible for marketing, finance, and accounting, among other workstreams, that support both MNC and the Mitel Group at large.
22. MNC uses payroll service provider ADP Technologies, Inc. to process and administer payroll, which is paid in arrears on a bi-weekly basis. Some employees that perform a sales function receive commission, which are paid in arrears monthly, with quarterly “true up” payments then disbursed within 60 days of the end of the applicable quarter.
23. Employee health and welfare insurance and benefits programs and retirement plans are managed and overseen by the Company’s group director for compensation and benefits who is based out of the United States. There exists a Canadian registered defined contribution pension plan and a Canadian group registered retirement savings plan, each of which is administered in Canada by Sun Life Assurance Company of Canada. Approximately 319 employees participate in these plans.
24. MNC employees also participate in the Company’s non-insider incentive and bonus programs, which include an annual incentive program, a long-term incentive program, an invention disclosure program, an outstanding achievements program, and a cash bonus program related to customers upgrading hardware as a result of engagement with an employee.
25. As of the date of this report, MNC is current with respect to all employee payments. Pursuant to the Wages Order, the Debtors, including MNC, have the authorization to, among other things, (i) pay prepetition wages, salaries, other compensation, and reimbursable expenses to their employees and (ii) continue employee benefits programs in the ordinary course of business, including payment of certain prepetition obligations related thereto.

Financial Overview

26. The Company has endured financial struggles for the last several years. In an effort to

combat operational and liquidity issues, the Company consummated a transaction in 2022 involving (a) the provision of \$156 million in new money financing in priority to existing loans; and (b) the Company purchasing existing loans in exchange for \$701 million of two tranches of higher-priority loans ranking behind the new money financing but in priority to the existing loans (the “**2022 Transaction**”).

27. As described in greater detail in the First Yetter Affidavit, despite the implementation of the 2022 Transaction and various other strategic initiatives, the Company has struggled to eliminate its liquidity issues. Recently, the Company has endured various industry and external challenges that resulted in adverse impacts on its operations. The shift to remote work caused by the COVID-19 pandemic resulted in a reduced demand for the Company’s in-office communication products. Post-pandemic, hybrid communications solutions have become more desirable, but the Company’s efforts to adapt to this shift were hindered by liquidity constraints. Furthermore, inflation and supply chain disruptions increased the Company’s material costs and increasing interest rates in the United States worsened the Company’s financial and liquidity position.

Indebtedness of the Mitel Group

28. The secured debt obligations of the Company as of the Petition Date are summarized below.

<u>Description</u>	<u>Secured Funded Debt</u>	<u>Maturity</u>	<u>Appx. Principal Amount Outstanding (as of March 2025)</u>
ABL Loans	Swiss ABL Loans	May 2027	\$3 million
	Non-Swiss ABL Loans	May 2027	\$14 million
Senior Loans	Priority Lien Term Loans	October 2027	\$156 million
	Incremental Revolving Loans	November 2025	\$64 million
	Second Lien Term Loans	October 2027	\$576 million
	Third Lien Term Loans	October 2027	\$125 million
	Third Lien Additional Facility	October 2027	\$32 million
Junior Loans	Legacy Senior Term Loans	November 2025	\$235 million
	Legacy Junior Term Loans	November 2026	\$108 million
<u>Total Secured Funded Debt</u>			<u>\$1.31 billion</u>

29. MNC is a guarantor of the obligations under the ABL Loans, the Senior Loans and the Junior Loans, and has also granted security interests in, among other things, its existing and after acquired personal property in respect of its guarantees of the Senior Loans and the Junior Loans. MNC has not granted security in respect of its guarantee of the ABL

Loans.

30. An “**Omnibus Intercreditor Agreement**” amongst various of the Company’s creditors governs, among other things, the rights, interest, obligations, priority, and positions of the liens and claims to the common collateral under the Senior Loans and the Junior Loans.

Unsecured Obligations

31. MNCs unsecured obligations mainly include: (i) accounts payable and accrued liabilities owed to trade vendors and ordinary course professionals; (ii) amounts owed under various equipment and real estate lease agreements; (iii) provincial sales taxes; (iv) employee liabilities including accrued payroll and statutory remittances, accrued vacation, accrued bonuses and commissions, and termination and severance liability owed to former employees; (v) intercompany balances; (vi) deferred customer revenues; and (vii) unsecured guarantee in respect of the ABL Loans.
32. While MNC has stayed current with respect to all employee liabilities and provincial sales taxes, due to liquidity challenges leading up to the filing of Chapter 11 Cases, MNC has significant overdue accounts payable balances with many trade creditors, ordinary course professionals, and lessors. Pursuant to the Critical Vendors Order, MNC intends to use the DIP financing proceeds to alleviate various overdue accounts payable.
33. MNC’s general unsecured creditors are expected to be unimpaired in the Restructuring Proceedings.

The Debtors’ Cash Management System

34. MNC participates in the Mitel Group’s sophisticated cash management system (the “**Cash Management System**”) that facilitates collections, transfers, and disbursements of the Company in a timely and efficient fashion. It consists of over 200 bank accounts, seven of which belong to MNC. One of MNC’s accounts is a collection account, two are disbursement accounts, and three are foreign exchange conversion accounts across Canadian, United States, UK and Luxembourg branches of JPMorgan Chase Bank, N.A.. The remaining account is currently inactive, although it may be used to provide cash collateral to support letter of credit, if necessary.
35. MNC’s collection account carries a cash balance at the end of each day and funds aggregated into the account are transferred manually on a daily basis to either the Company’s primary collections account (the “**Main Concentration Account**”) located in the United States or one of MNC’s two disbursement accounts. Funds may also be used to

make disbursements directly in connection with MNC's operating costs.

36. MNC's foreign exchange accounts are used to convert receipts from the Company's business operations outside of the United States and Canada into various currencies. Converted funds are then transferred manually to the Main Concentration Account, MNC's general disbursement accounts, or certain disbursement accounts maintained by MNIL.
37. MNC's general disbursement accounts receive funds from the Main Concentration Account, MNC's collection account, and MNC's foreign exchange conversion accounts.
38. The Company frequently moves cash within the Cash Management System in the ordinary course of business. These cash transfers are maintained by the Company such that each intercompany receivable and payable generated pursuant to any intercompany transactions can be traced and accounted for.

E. THE CENTRE OF MAIN INTEREST

39. As set out in detail in the First Yetter Affidavit, the Mitel Group operates a global business on an integrated basis under the oversight of senior management. Its leadership team is spread out across the United States, Canada and Europe with six of the 11 executive leaders based in the United States, including the Company's Chief Executive Officer and Chief Financial Officer.
40. MNC is a direct, wholly-owned subsidiary of MNIL, the holding company through which the Mitel Group holds its various operating segments. MNC is deeply integrated within the broader Mitel Group, including from a financing, funding, cash management, human resources and operational perspective.
41. The Company is managed on a consolidated basis and the Mitel Group reports its financial results for the entire group of entities (including MNC) on a consolidated basis. Stand-alone financial statements for MNC are not typically prepared.
42. MNC is a guarantor of the entire \$1.31 billion of funded indebtedness of the Mitel Group and has granted liens on all its assets and property as security in respect of its guarantees of the Senior Loans and the Junior Loans.
43. MNC is fully integrated into the Mitel Group's Cash Management System and the Mitel Group's system of intercompany transactions, and decisions with respect to MNC's intellectual property are made by the Mitel Group's senior leadership.

44. All of the Debtors, other than TopCo, MNIL, Mitel Europ and MNC, are incorporated or formed under United States law, are headquartered or have their registered head office in the United States, carry out business in the United States, or have all, or substantially all, of their assets in the United States.
45. MNC has strong connections to the United States in particular. Among other things, the Mitel Group's senior leadership, which is predominantly United States based, exercises primary strategic oversight over MNC, including with respect to key operational and business decisions, funding and cash management matters, and licensing of MNC's intellectual property. In addition, the \$1.31 billion of funded debt guaranteed by MNC is governed by United States law and the majority of the lenders are United States based.
46. Having regard to, among other things, the numerous ways in which MNC is integrated with the other Debtors and the rest of the Mitel Group, and dependent upon the Company's leadership and management teams within the United States, the nature of the U.S. law governed debt that is the subject of the Restructuring Transactions, and the location of the majority of the Mitel Group's lenders affected by the Restructuring Transactions, which are United States based, the Proposed Information Officer is of the view that MNC's key operations are led in the United States and agrees that the facts and circumstances support the recognition of the Chapter 11 Cases as a "foreign main proceeding".

F. PROPOSED INFORMATION OFFICER'S ACTIVITIES TO DATE

47. To date, the activities of the Proposed Information Officer have included, among other things:
 - (a) monitoring the Docket to remain apprised of materials filed in the Chapter 11 Cases;
 - (b) preparing for the Proposed Foreign Representative's application for the Interim Stay Order;
 - (c) assisting the Proposed Foreign Representative and its Canadian legal counsel in determining the appropriate quantum of both the Administration Charge and the D&O Charge;
 - (d) engaging in discussions with the Debtors' financial advisors, to understand the Debtors' cash flows projections, contemplated sources and uses of DIP funding, and nature of intercompany transactions involving MNC;

- (e) establishing and updating the Case Website;
- (f) establishing and monitoring the Proposed Information Officer's mailbox and hotline;
- (g) communicating with advisors to the Debtors, the Debtors' Canadian legal counsel, and the Proposed Information Officer's Counsel regarding matters relevant to the Chapter 11 Cases and the Recognition Proceedings; and
- (h) preparing this Pre-Filing Report.

G. THE INTERIM DIP ORDER AND DIP FACILITIES

48. As part of the First Day Motions, the Debtors filed the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, (C) Grant Liens and Provide Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "**DIP Motion**") and obtained the Interim DIP Order.
49. Pursuant to the DIP Motion, the Debtors sought, among other things, authorization to obtain the DIP Financing on the terms set out in the Debtor-in-Possession Term Loan Credit Agreement (the "**DIP Credit Agreement**"), with such DIP Financing consisting of:
- \$60 million of DIP New Money Term Loans which will be available immediately upon entry by the U.S. Bankruptcy Court of the Interim DIP Order; and
 - on the date of the entry of the Final DIP Order, \$62 million in aggregate principal amount of the Priority Lien Loans shall be deemed substituted and exchanged for term loans under the DIP Credit Agreement in an aggregate principal amount of \$62 million (the "**DIP Rolled-Up Loans**" and, together with the DIP New Money Term Loans, the "**DIP Loans**").
50. MLN US HoldCo LLC is the borrower under the DIP Credit Agreement and each of the other Debtors (including MNC) are guarantors of the DIP Loans.
51. Without the proceeds of the DIP Financing and access to cash collateral, the Debtors, including MNC, lack the liquidity necessary to continue operations. The DIP Financing provides the Debtors, including MNC, with sufficient liquidity to operate their business, administer the Chapter 11 Cases and these Canadian recognition proceedings to pursue a

restructuring. As MNC incurs a significant amount of operating costs for the benefit of other Debtors and non-Debtor affiliates, resulting in a significant cash flow loss for MNC before settlement of intercompany balances, it is anticipated that approximately half of all DIP financing proceeds of \$60 million will be used to fund MNC.

52. An independent security opinion (the “**Security Opinion**”) was completed by counsel to the Proposed Information Officer to opine on the validity of the security granted by MNC in respect of its guarantees of the Priority Lien Loans which are contemplated to be rolled up as part of the DIP Loans. As per the Security Opinion, independent counsel concluded that, in its view and subject to standard qualifications and restrictions, the security granted by MNC is valid and enforceable against MNC. Further, the Security Opinion concludes that all relevant registrations were made to perfect such security with respect to the personal property of MNC. A copy of Stikeman Elliott LLP’s opinion will be provided to the Court upon request and to any interested party requesting a copy of same who confirms in advance that: (a) such party is not Stikeman Elliott LLP’s client and therefore is not entitled to rely upon the opinion and that Stikeman Elliott LLP has no liability or responsibility to such party with respect to any loss, liability, damage or expense in connection with the provision to such party of the opinion or such party’s review of contents thereof; (b) such party will not disclose the opinion to any other party without the consent of FTI; and (c) the provision of the opinion does not constitute a waiver of privilege.

H. THE FIRST DAY ORDERS PROPOSED TO BE RECOGNIZED

53. The First Day Motions and the First Day Orders are described in the Yetter Declaration and the First Yetter Affidavit, respectively. Copies of the First Day Motions and the First Day Orders, together with all other publicly filed information in the Chapter 11 Cases, are available on the case website maintained by *Stretto Inc.* at the following address: <https://cases.stretto.com/mitel/> (the “**Docket**”).
54. MNC, in its capacity as the Foreign Representative, is seeking recognition of certain of the First Day Orders that have been entered by the U.S. Bankruptcy Court in the Chapter 11 Cases. The First Day Orders to be recognized pursuant to the proposed Supplemental Order are listed and described in the First Yetter Affidavit. Copies of such First Day Orders are appended to the proposed Supplemental Order as Schedules “A” to “M”.
55. With the assistance of Stikeman Elliott LLP, the Proposed Information Officer has reviewed and considered the First Day Orders and discussed them with counsel to the Foreign Representative. The Proposed Information Officer is of the view that much of the

relief contained in the First Day Orders is common in chapter 11 cases and is frequently recognized by Canadian courts in cross-border insolvency proceedings.

I. THE CHARGES PROPOSED UNDER THE SUPPLEMENTAL ORDER

56. Pursuant to the proposed Supplemental Order, the Foreign Representative seeks the granting of the Administration Charge, the D&O Charge, and the DIP Charge over the assets and property of MNC in Canada (together, the “**Charges**”). The priorities of the Charges are proposed to be as follows:
- (a) First – Administration Charge (to the maximum amount of CDN\$500,000);
 - (b) Second – D&O Charge (to the maximum amount of CDN\$3.8 million); and
 - (c) Third – DIP Charge.
57. Each of the Charges and the Proposed Information Officer’s views with respect thereto are discussed below.

The Administration Charge

58. The proposed Supplemental Order provides that Goodmans LLP, as Canadian counsel to MNC, the Information Officer and counsel to the Information Officer will be granted a charge in the maximum amount of CDN\$500,000 over the assets and property of MNC in Canada to secure the fees and disbursements of such professionals incurred in respect of these proceedings. The proposed Administration Charge only applies to the assets of MNC and not to any of the other entities in the Mitel Group. The Administration Charge is proposed to rank in priority to all other encumbrances in respect of MNC, except for any encumbrances in favour of any person that did not receive notice of the application for the Supplemental Order.
59. In the circumstances, the Proposed Information Officer is of the view that the proposed Administration Charge is both reasonable and appropriate. Moreover, the Proposed Information Officer is of the view that it will ensure that MNC has the benefit of the professional advice and expertise necessary for the success of these Recognition Proceedings. For these reasons, the Proposed Information Officer respectfully recommends that the proposed Administration Charge be granted under the Supplemental Order.

The D&O Charge

60. MNC's directors and officers are potential beneficiaries of director and officer liability insurance maintained by the Mitel Group (the "**D&O Insurance**") with an aggregated coverage limit of \$40 million. Given the various liabilities and the need for the continued service of the director and officers of MNC in these proceedings, MNC, as the Foreign Representative, seeks the granting of a charge over the assets and property of MNC in Canada in favour of MNC's directors and officers in the maximum amount of CDN\$3.8 million.
61. The D&O Charge would secure the indemnity provided to the directors and officers in the proposed Supplemental Order in respect of liabilities they may incur during these Canadian recognition proceedings in their capacities as such, except where the obligation or liability was incurred as a result of the director's or officer's gross negligence or willful misconduct. The D&O Charge would only be relied upon if the existing D&O Insurance does not suffice in covering any exposure of MNC's directors and officers.
62. The Proposed Information Officer is of the view that the quantum of the proposed D&O Charge is reasonable in light of the potential personal liabilities that may be incurred by MNC's directors during the pendency of these Recognition Proceedings and respectfully recommends that the proposed D&O Charge be granted.

The DIP Charge

63. The DIP Credit Agreement contemplates the granting of a court-ordered charge in favour of the DIP Lenders over MNC's Canadian assets and property, to secure the obligations outstanding from time to time under the DIP Financing. As such, MNC, as the Foreign Representative, is seeking the granting of the DIP Charge pursuant to the Supplemental Order, which would be subordinate to the proposed Administration Charge and the D&O Charge, and rank ahead of all other encumbrances in priority, except for those in favour of any person that did not receive notice of the application for the Supplemental Order.
64. As referenced above, MNC is expected to require approximately half of the DIP New Money Term Loans to fund the Canadian Business during the restructuring.
65. The Proposed Information Officer respectfully recommends that the proposed DIP Charge be granted under the supplemental order.

J. CONCLUSION

66. The Company has determined that an out-of-court refinancing of its existing indebtedness would not be feasible, and as such, opted to pursue a comprehensive restructuring in

accordance to a prepackaged chapter 11 plan (the “**Restructuring Transactions**”). The Restructuring Transactions aim to significantly deleverage the Company’s balance sheet, reduce funded indebtedness, reduce annual cash interest expenses, and position the reorganized Debtors for long-term growth.

67. For the reasons set out in this Pre-Filing Report, the Proposed Information Officer supports the relief sought by the proposed Foreign Representative on the within application and respectfully recommends that the Court grant the proposed Initial Recognition Order and Supplemental Order.

The Proposed Information Officer respectfully submits to the Court this, its Pre-Filing Report. Dated this 16th day of March, 2025.

FTI Consulting Canada Inc.,

solely in its capacity as Proposed Information Officer of Mitel Networks Corporation, and not in its personal or corporate capacity.

FTI CONSULTING CANADA INC.



By: _____

Name: Jeffrey Rosenberg

Title: Senior Managing Director

APPENDIX "A"

See attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)
)
JUSTICE CONWAY) MONDAY, THE 10TH
) DAY OF MARCH, 2025

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED**

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

**APPLICATION OF MITEL NETWORKS CORPORATION UNDER
SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

Applicant

**INTERIM STAY ORDER
(FOREIGN PROCEEDING)**

THIS APPLICATION, made pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, by Mitel Networks Corporation ("MNC"), in its capacity as the proposed foreign representative (in such capacity, the "**Proposed Foreign Representative**") in respect of the proceedings commenced on March 10, 2025, in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**"), for an Order substantially in the form enclosed in the Application Record of MNC, was heard this day by videoconference in Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Janine Yetter sworn March 10, 2025 (the "**Yetter Affidavit**") and the Affidavit of Andrew Harmes sworn March 10, 2025.

AND ON HEARING the submissions of counsel for the Proposed Foreign Representative, counsel for FTI Consulting Canada Inc., in its capacity as the proposed

information officer (the “**Proposed Information Officer**”), and counsel for such other parties as were present and wished to be heard:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that until such date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of MNC or affecting its business (the “**Business**”) or its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), except with the written consent of MNC, or with leave of this Court, and any and all Proceedings currently under way against or in respect of MNC, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

3. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities or person (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of MNC, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of MNC, or with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceeding, (ii) empower MNC to carry on any business in Canada which MNC is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

4. **THIS COURT ORDERS** that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, licence or permit in favour of or held by MNC and affecting the Business or Property in Canada, except with the written consent of MNC, or with leave of this Court.

ADDITIONAL PROTECTIONS

5. **THIS COURT ORDERS** that, during the Stay Period, all Persons having oral or written agreements with MNC or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation, all licencing arrangements, manufacturing arrangements, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of MNC, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by MNC, and that MNC shall be entitled to the continued use in Canada of its current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses and domain names.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

6. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of MNC with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of MNC whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

NO SALE OF PROPERTY

7. **THIS COURT ORDERS** that, except with the leave of this Court, MNC is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its Business, any of its Property in Canada that relates to the Business; and
- (b) any of its other Property in Canada.

SERVICE AND NOTICE

8. **THIS COURT ORDERS** that The Guide Concerning Commercial List E-Service (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure*, service of documents in accordance with the Protocol will be effective on transmission.

9. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, MNC, the Proposed Information Officer, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or electronic transmission to MNC’s creditors or other interested parties at their respective addresses (including e-mail addresses) as last shown on the records of MNC and that any such service or distribution shall be deemed to be received (a) in the case of delivery by personal delivery, facsimile or electronic transmission, on the date of delivery or transmission, (b) in the case of delivery by prepaid ordinary mail, on the third business day after mailing, and (c) in the case of delivery by courier, on the next business day following the date of forwarding thereof. For greater certainty, any such distribution or service by electronic transmission shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within

the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

10. **THIS COURT ORDERS** that any party may, from time to time, apply to this Court for such further or other relief as it may advise, including for directions in respect of this Order.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada, the United States of America or any other foreign jurisdiction, to give effect to this Order and to assist MNC and its counsel and agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to MNC as may be necessary or desirable to give effect to this Order, or to assist MNC and its agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that this Order shall be effective as of the time of the filing of the Petition (as defined in the Yetter Affidavit) in respect of MNC without the need for entry or filing of this Order.


Justice Conway

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF MITEL NETWORKS CORPORATION
APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INTERIM STAY ORDER
(FOREIGN PROCEEDING)

GOODMANS LLP

Barristers & Solicitors
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Toronto, ON M5H 2S7

Robert J. Chadwick LSO#: 35165K
rchadwick@goodmans.ca

Caroline Descours LSO#: 58251A
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Andrew Harnes LSO#: 73221A
aharnes@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Applicant

APPENDIX “B”

See attached.

Court File No. _____

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED**

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

**APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF
THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C- 36, AS
AMENDED**

Applicant

CONSENT TO ACT AS INFORMATION OFFICER

FTI CONSULTING CANADA INC. hereby consents to act as the information officer in the above noted proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, subject to and in accordance with the terms of the form of Supplemental Order (Foreign Main Proceedings) to be filed in respect of same.

Dated at Toronto, Ontario this 3RD day of March, 2025.

FTI CONSULTING CANADA INC.

Per:


Name: **JEFFREY ROSENBERG**
Title: **SENIOR MANAGING DIRECTOR**

Court File No. _____

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF MITEL NETWORKS CORPORATION
APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**CONSENT TO ACT AS
INFORMATION OFFICER**

[Counsel]

[Counsel contact]

Tel:

Fax:

Lawyers for FTI Consulting Canada Inc., in its
capacity as proposed Information Officer

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF MITEL NETWORKS CORPORATION
APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

PRE-FILING REPORT OF THE PROPOSED
INFORMATION OFFICER

STIKEMAN ELLIOTT LLP
199 Bay St. #5300
Toronto, Ontario
M5L 1B9

Maria Konyukhova (LSO# 52880V)
Tel: (416) 869 5230
Email: mkonyukhova@stikeman.com

Lawyers for FTI Consulting Canada Inc., solely in its capacity as the proposed Information Officer and not in its personal or corporate capacity

APPENDIX "C"
[ATTACHED]

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) WEDNESDAY, THE 19TH
)
JUSTICE CONWAY) DAY OF MARCH, 2025

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C 36, AS AMENDED**

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

**APPLICATION OF MITEL NETWORKS CORPORATION UNDER
SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

Applicant

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, by Mitel Networks Corporation ("MNC"), in its capacity as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of the proceedings commenced on March 9 and 10, 2025, in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**"), for an Order substantially in the form enclosed in the Application Record of MNC, was heard this day by videoconference in Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Janine Yetter sworn March 10, 2025, the affidavits of Andrew Harmes sworn March 10 and 14, 2025, and the preliminary report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as proposed information officer (the "**Information Officer**"), each filed, and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that, in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) (the “**Supplemental Order**”) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for FTI, in its capacity as the proposed Information Officer, and counsel for such other parties as were present and wished to be heard.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS** that the Foreign Representative is the “foreign representative” as defined in section 45 of the CCAA in respect of the Foreign Proceeding.

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT ORDERS** that the centre of its main interests for MNC is the United States of America, and that the Foreign Proceeding is hereby recognized as a “foreign main proceeding” as defined in section 45 of the CCAA in respect of MNC.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against MNC under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 or the *Winding-up and Restructuring Act*, R.S.C. 1985, c. W-11, are stayed;
- (b) further proceedings in any action, suit or proceeding against MNC are restrained; and
- (c) the commencement of any action, suit or proceeding against MNC is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, MNC is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

GENERAL

6. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Foreign Representative, with the assistance of the Information Officer, shall cause to be published, once a week for two consecutive weeks, a notice substantially in the form attached to this Order as Schedule “A” in *The Globe and Mail* (National Edition).

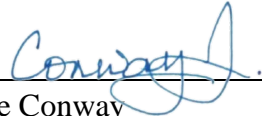
7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada, the United States of America or any other foreign jurisdiction, to give effect to this Order and to assist MNC, the Information Officer and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that the Interim Stay Order (Foreign Proceeding) of this Court dated March 10, 2025 (the “**Interim Stay Order**”) shall be of no further force and effect once this Order and the Supplemental Order become effective, and that this Order shall be effective as of 12:01 a.m. on the date of this Order without the need for entry or filing of this Order, provided that nothing herein shall invalidate any action taken in compliance with the Interim Stay Order prior to the effectiveness of this Order and the Supplemental Order.

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days’ notice to MNC, the

Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

10. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. on the date of this Order without the need for entry or filing of this Order.



Justice Conway

Schedule “A” – Notice of Recognition Orders

**IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF MITEL NETWORKS CORPORATION

NOTICE OF RECOGNITION ORDERS

PLEASE BE ADVISED that this Notice is being published pursuant to an Initial Recognition Order (Foreign Main Proceeding) of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) granted on March 19, 2025 (the “**Initial Recognition Order**”).

PLEASE TAKE NOTICE that on March 9 and 10, 2025, MLN TopCo Ltd. and certain of its subsidiaries and affiliates, including Mitel Networks Corporation (“**MNC**”), commenced voluntary proceedings (the “**Chapter 11 Proceedings**”) pursuant to chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of Texas (Houston Division) (the “**U.S. Bankruptcy Court**”). In connection with the Chapter 11 Proceedings, MNC was appointed to act as foreign representative (in such capacity, the “**Foreign Representative**”) in respect of the Chapter 11 Proceedings in the Canadian Recognition Proceedings (defined below). The Foreign Representative’s address is 4000 Innovation Drive, Kanata, ON K2K 3K1, Canada.

AND TAKE NOTICE that the Initial Recognition Order and a Supplemental Order (Foreign Main Proceeding) (collectively with the Initial Recognition Order, the “**Recognition Orders**”) have been issued by the Canadian Court in proceedings (the “**Canadian Recognition Proceedings**”) under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), among other things: (i) declaring that the Chapter 11 Proceedings are recognized as a “foreign main proceeding”, as defined in section 45 of the CCAA, in respect of MNC; (ii) granting a stay of proceedings against MNC in Canada; (iii) prohibiting the commencement of any proceedings against MNC or its directors and officers in Canada absent further order of the Canadian Court; (iv) recognizing certain orders granted by the U.S. Bankruptcy Court in the Chapter 11 Proceedings; and (v) appointing FTI Consulting Canada Inc. as the information officer with respect to the Canadian Recognition Proceedings (the “**Information Officer**”).

AND TAKE NOTICE that motions, orders and notices filed with the U.S. Bankruptcy Court in the Chapter 11 Proceedings are available at: <https://cases.stretto.com/mitel>; and that the Recognition Orders, and any other orders that may be granted by the Canadian Court in the Canadian Recognition Proceedings, are available at: <https://cfcanada.fticonsulting.com/MitelCanada/>.

AND TAKE NOTICE that counsel for MNC is:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Mitel Networks Corporation Canadian Recognition Proceedings
Phone: (416) 979-2211
Email: mitelcanadianrecognition@goodmans.ca

PLEASE FINALLY TAKE NOTICE that if you wish to receive copies of the Recognition Orders or obtain further information in respect of the matters set forth in this Notice, you may contact the Information Officer at:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Mitel Networks Corporation Canadian Recognition Proceedings
Toll-free: (833) 529-8866
Phone: (647) 946-8371
Email: mitelcanada@fticonsulting.com

DATED AT TORONTO, ONTARIO this [●] day of ●, 2025.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF MITEL NETWORKS CORPORATION**

APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Robert J. Chadwick LSO#: 35165K
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Andrew Harmes LSO#: 73221A
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Tel: 416.979.2211

Fax: 416.979.1234

Lawyers for the Applicant

APPENDIX "D"
[ATTACHED]



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00738691-00CL

DATE: March 19, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: Re Mitel Networks Corporation

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Caroline Descours Andrew Harmes	Applicant Mitel Networks Corp.	cdescours@goodmans.ca aharmes@goodmans.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Mike Shakra	Ad hoc group of senior lenders	Shakramennettjones.com
Lee Nicholson Michael Pasquariello	Counsel to proposed Information Officer	leenicholson@stikeman.com mpasquariello@stikeman.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Jeffrey Rosenberg Hrvoje Muhek	FTI Consulting, Proposed Information Officer	Jeffreyrosenberg@fticonsulting.com hrvoje.muhek@fticonsulting.com

ENDORSEMENT OF JUSTICE CONWAY:

- [1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicant dated March 17, 2025. All currency references are to U.S. dollars, unless otherwise noted.
- [2] All factual references are from the Affidavit of Janine Yetter, Chief Financial Officer of Mitel (Delaware), Inc. sworn March 10, 2025 and the two Affidavits of Andrew Harmes, counsel to MNC, sworn March 10 and 14, 2025. In addition, the proposed Information Officer, FTI Canada, has filed a pre-filing report dated March 17, 2025.
- [3] This application is brought pursuant to Part IV of the CCAA and s. 106 of the CJA in connection with the Chapter 11 Cases commenced by the Debtors in the United States Bankruptcy Court for the Southern District of Texas (Houston Division).
- [4] On March 10, 2025, I granted an Interim Stay Order in favour of MNC and its directors and officers pending the return of the application for the Initial Recognition Order and the Supplemental Order. That application proceeded before me today. The relief sought is supported by the *ad hoc* group of senior lenders and is recommended by FTI Canada. The application is otherwise unopposed.
- [5] I am granting both orders, for the reasons set out below.

Background to the Proposed Restructuring

- [6] The background to the proposed restructuring is set out in my endorsement of March 10, 2025. Briefly, MNC is part of a global company that provides business communications and collaboration solutions. The Mitel Group is a global company with over 65 million end users in approximately 146 countries.
- [7] For the last several years, the Company has experienced significant liquidity challenges. Despite taking certain initiatives to address these constraints through the 2022 Transaction, the Company began to evaluate its options to pursue a deleveraging transaction. The Company has reached an agreement-in-principle on a proposed pre-packaged chapter 11 plan that will reduce the Company's funded indebtedness by over \$1.15 billion and reduce annual cash interest expense by approximately \$135 million, and position the reorganized Debtors for long-term growth. The plan is supported under the RSA by holders of 100% of the ABL Loan Claims, 72.1% of the Priority Lien Claims, and over 81.1% of the Non-Priority Lien Term Loan Deficiency Claims.
- [8] The Debtors filed the Petitions on March 9 and 10, 2025 and have now obtained 13 First Day Orders: (a) Foreign Representative Order; (b) Interim DIP Order; (c) Cash Management Order; (d) Wages Order; (e) Critical Vendors Order; (f) Taxes Order; (g) Utilities Order; (h) NOL Order; (i) Customer Programs Order; (j) Stay Enforcement Order;

(k) Insurance Order; (I) Joint Administration Order; and (m) Claims Agent Retention Order.

- [9] MNC is one of the Debtors. It is the sole Canadian entity in the Mitel Group and the main entity through which the Company conducts its business in Canada. MNC is a wholly-owned subsidiary of Mitel Networks (International) Limited, a holding company through which the Mitel Group holds its United States, Canadian and international operating segments.
- [10] MNC's registered and head office is located at leased premises in Ottawa, Ontario. MNC has approximately 323 employees in Canada. None of MNC's employees are unionized.
- [11] MNC's revenue during the third fiscal quarter of 2024 represented approximately 2.9% of the Company's total consolidated revenue. MNC is a guarantor of the Company's approximately \$1.31 billion of funded indebtedness and has secured its guarantees of the Senior Loans and Junior Loans.

The Initial Recognition Order

- [12] MNC seeks the Initial Recognition Order that appoints MNC as the Foreign Representative in respect of these CCAA recognition proceedings and recognizes the Chapter 11 Cases as a foreign main proceeding.
- [13] Pursuant to s. 47(1) of the CCAA, the court shall recognize a foreign proceeding if the proceeding is a foreign proceeding and the applicant is a foreign representative in respect of that proceeding. There is no question that the Chapter 11 Cases are a foreign proceeding. Further, MNC has been appointed by the U.S. Bankruptcy Court to act as the Foreign Representative of the Chapter 11 Cases and has filed the documents required under s. 46(2) to apply for a recognition order. It. The requirements of s. 47(1) have been met.
- [14] Pursuant to s. 47(2), this court must specify whether the foreign proceeding is a foreign main proceeding or a foreign non-main proceeding. A foreign main proceeding is defined in s. 45(1) as a foreign proceeding in a jurisdiction where the debtor company has the centre of its main interests (COMI). In the absence of evidence to the contrary, a debtor's COMI is deemed to be the location of its registered office: s. 45(2).
- [15] This presumption can be rebutted with evidence demonstrating that a debtor company's COMI is located in a jurisdiction other than the location of its registered office: *Paladin Labs Canadian Holding Inc.*, 2022 ONSC 4931, at para. 20. In *Paladin*, at para. 21 and *Diebold Nixdorf, Incorporated*, 2023 ONSC 4230, at para. 28, Chief Justice Morawetz said that there are three primary factors to consider: (a) whether the location is readily ascertainable by creditors; (b) whether the location is one in which the debtor's principal assets or operations are found; and (c) whether the location is where the management of

the debtor takes place. As he stated in *Diebold*, at para. 29, these primary factors may be interpreted with reference to the following: (a) the location where corporate decisions are made; (b) the location of employee administrations, including human resource functions; (c) the location of the company's marketing and communication functions; (d) whether the enterprise is managed on a consolidated basis; (e) the extent of integration of an enterprise's international operations; (f) the centre of an enterprise's corporate, banking, strategic and management functions; (g) the existence of shared management within entities in an organization; (h) the location where cash management and accounting functions are overseen; (i) the location where pricing decisions and new business development initiatives are created; and (j) the location of an enterprise's treasury management functions, including management of accounts receivable and accounts payable.

- [16] Having regard to those factors, I am satisfied that although MNC's registered office is in Ottawa, its COMI is in the United States. MNC is deeply integrated with the Mitel Group, which is managed on a consolidated and integrated basis. In particular, the Mitel Group's financial position is managed and reported on a consolidated basis. Stand-alone financial statements for MNC are not typically prepared. Mitel Group's overall capital structure, including its funded indebtedness, is managed on a consolidated basis. Its Cash Management System centralizes collections and disbursements for the entire corporate group. MNC's employees participate in benefits managed out of the United States. In addition, MNC's ties to the United States include the exercise of strategic oversight by Mitel Group's senior leadership and the Parents Boards (both of which are primarily US-based). The United States is readily ascertainable by the principal creditors of MNC who will be impacted by (and supporting) the restructuring through the Chapter 11 Cases.
- [17] I am therefore granting the order recognizing the Chapter 11 Cases as a foreign main proceeding. Pursuant to s. 48(1) of the CCAA, I am granting the required stay and other relief with respect to MNC.
- [18] Initial Recognition Order to go as signed by me and attached to this endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

The Supplemental Order

- [19] The Supplemental Order provides for a stay of proceedings in Canada in respect of the MNC and its directors and officers. I agree that this stay is necessary to preserve and protect the value of the Canadian business and to provide the required stability during the restructuring period.
- [20] The order also recognizes the First Day Orders. Pursuant to s. 49(1) of the CCAA, the court has broad jurisdiction to grant any order that it considers appropriate if it is satisfied that it is necessary for the protection of the debtor company's property or the interests of a

creditor or creditors. Section 52(1) requires the court to cooperate, to the maximum extent possible, with the foreign representative and the foreign court.

- [21] I highlight only one of those orders, the Interim DIP Order. The Debtors negotiated a secured post petition financing facility with certain Senior Lenders for \$60 million of DIP New Money Term Loans and refinanced Priority Lien Loans through the roll-up and equitization of \$62 million. MLN US is the borrower and each of the Debtors (including MNC) are guarantors of the DIP loans.
- [22] I am satisfied that the Interim DIP Order should be recognized. The new money under the DIP Facility is required for continued operations of the group and to fund the restructuring, which will ultimately benefit stakeholders by reducing the group's debt load and interest expense. Those funds will directly benefit MNC since approximately half of the new money will be used by it for payment of its operational expenses during this period.
- [23] With respect to the roll-up of \$62 million of the Priority Lien Loans, although this may not be permissible in a plenary CCAA proceeding, there is no impediment to approving a roll-up in Part IV recognition proceedings: see *Diebold*, at para. 43. In this case, MNC has already guaranteed the Priority Lien Loans (that form part of the Senior Loans) and encumbered its assets to secure that guarantee. Counsel to FTI Canada has given an independent opinion that this security is valid and enforceable. I am therefore satisfied that recognizing this order would not materially prejudice the interest of any Canadian stakeholders. I further note that under the restructuring plan MNC's general unsecured creditors are expected to be unimpaired.
- [24] The DIP facility is therefore approved, as is the corresponding DIP Charge (which will rank behind the Administration Charge and the D&O Charge).
- [25] With respect to the remaining relief in the Supplemental Order, I appoint FTI Canada as the Information Officer. The Administration Charge of CDN\$500,000 to secure professional fees is acceptable. The D&O Charge of CDN\$3.8 million to secure MNC's indemnity obligations is estimated to cover the exposure of directors and officers during the restructuring period. It excludes gross negligence or wilful misconduct. It applies only to the extent that there is no or insufficient coverage under the directors' and officers' insurance policy for MNC.
- [26] Supplemental Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

Next Steps

- [27] Counsel advised the court that they are seeking further orders from the U.S. Bankruptcy Court and will be returning to this court for additional recognition orders. They shall book

those motions through the Commercial List office before me. If I am unavailable, the matter may proceed before another Commercial List judge.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

APPENDIX "E"
[ATTACHED]

ICBK: Bank did not specify how it protects Canadian customer data

FROM B1

ICBK did not confirm it had ambitions to set up a payments processor or answer specific questions about the proposal, but provided a statement to The Globe saying its focus remains on "serving customers and Canada with integrity while maintaining a strong compliance framework."

Moneris, meanwhile, "is not aware of any discussion regarding ICBK's interest in entering the Canadian payments market," the processor's spokesman, Darren Leroux, wrote in an e-mailed statement.

Of chief interest to the ICBK-led group was accessing debit- and credit-card payment information for 11/11, which is the world's largest shopping festival, the source said. Also known as "Singles Day" or "Double 11," the retail holiday, which originated in China but is also celebrated in other countries, culminates on Nov. 11 each year.

Marketed as a foil to Valentine's Day, Double 11 is a cultural celebration of unwed individuals. In the weeks leading up to Nov. 11, single people buy themselves gifts and attend various social events.

In 2024, total retail spending for Double 11 increased by 26.6 per cent year over year to 1.44-trillion renminbi (the equivalent of \$285-billion) in China alone, according to an estimate from retail data service provider Syntun Ltd.

Prior to the pandemic, the ICBK-led group briefed officials at major Canadian banks to solicit their support for the proposed payment processor, the source said. The proposal instead elicited some concern about the security of customer payment data, the person added.

The Bank of Canada is responsible for supervising payment service providers to ensure they manage operational risks and



A proposal by Industrial and Commercial Bank of China (Canada), the Canadian subsidiary of China's largest bank, for a new payment processing system for debit and credit cards has prompted concerns over Chinese state surveillance of diaspora community members in Canada. DUANE COLE/ THE GLOBE AND MAIL

safeguard customers' funds. Spokesman Paul Badertscher said the central bank is not aware of the ICBK-led proposal and cannot comment on any specific company.

The Minister of Finance also has "a mandate and powers to address national security risks" posed by foreign and domestic payment service providers, said Marie-France Faucher, an official with the Department of Finance. Industrial and Commercial Bank of China Ltd., ICBK's parent company, facilitates banking via WeChat, a Chinese messaging and mobile payments app, according to its website.

ICBK declined to say if its Canadian customers are also transacting via WeChat or other Chinese apps. Nor did it specify how the bank protects Canadian customer data. Similarly, it did not directly answer a query about whether its administrative record-keeping systems and Canadian customer data, including

debit- and credit-card payment information, are stored in Beijing.

The Office of the Privacy Commissioner of Canada said companies subject to the Personal Information Protection and Electronic Documents Act (PIPEDA) are not prohibited from processing or storing personal information in another jurisdiction. However, PIPEDA does have rules that govern how companies transfer personal information to a third party for processing, said spokesman Vito Pilicci.

At least three pieces of legislation — China's National Security Law (2015), China's National Intelligence Law (2017) and China's Cyber Security Law (2017) — compel People's Republic of China commercial entities and individuals to assist the government and intelligence services with security issues when required.

"It may force locally employed PRC personnel of Canadian companies to assist in PRC intelli-

gence operations," states a 2022 brief by the Canadian Security and Intelligence Service, referencing China's National Intelligence Law. The document, which was partly redacted, was declassified and released at the Hogue Commission last September.

Neither ICBK, which operates its own militia in China, nor ICBK provided comment in response to a query about whether the Canadian lender provides any assistance to the Chinese government for intelligence and security purposes.

A 2023 report by the Department of Finance also warned that foreign bank subsidiaries in Canada often have clients, including Canadian citizens and foreign nationals, who are politically-exposed people or have connections to high-risk jurisdictions.

The Financial Transactions and Reports Analysis Centre of Canada, meanwhile, requires banks to conduct PEP screening. The regulator also provides guidance on how businesses should report suspicions of money laundering and terrorist financing.

"In late 2023, the director and CEO of FinTRAC announced that some businesses were not where they should be from a compliance perspective and that the centre was ramping up significantly its enforcement action to protect Canadians and Canada's financial system," spokeswoman Mélanie Goulette Nadon said in an e-mailed statement.

The Financial Action Task Force (FATF), an intergovernmental body that sets standards to combat financial crime, concluded in 2016 that Canada may be particularly vulnerable to the laundering of the proceeds of Chinese corruption.

Canada is preparing for another review by the FATF this year. China, however, isn't on either the FATF's "black list" or "grey list" of high-risk countries with weak financial-crime controls.

BRITAIN WILL STICK TO FISCAL RULES DESPITE GLOBAL TURMOIL, FINANCE MINISTER SAYS

LONDON Britain will stick to its fiscal rules despite global upheaval, Finance Minister Rachel Reeves said on Sunday, raising the prospect of thousands of public sector job cuts in this week's budget update which is likely to include further savings.

Last October, in her first full budget, Ms. Reeves sought to win the trust of investors by pledging to bring day-to-day spending into balance with tax revenue by the end of the decade.

But she is believed to have been knocked off course by slow economic growth and higher borrowing costs.

Employers say a tax hike for them will hit hiring and a potential global trade war triggered by U.S. President Donald Trump's import tariffs has led to downgrades to the international outlook.

"The world has changed. We can all see that before our eyes and governments are not inactive in that," Ms. Reeves told Sky News. "We'll respond to the change and continue to meet our fiscal rules."

On Friday, British debt costs jumped after heavy borrowing figures, showing nervousness among investors about the ability of Prime Minister Keir Starmer's government to fix the public finances with the economy stuck in a slow gear.

Last week, the government announced cuts to welfare spending to save around £2-billion (\$9.2-billion) a year, angering some lawmakers in Mr. Starmer's centre-left Labour Party.

Ms. Reeves said 10,000 public sector jobs could be cut under a plan to lower civil service costs by 15 per cent by the end of the decade and save over £2-billion a year, adding it was not right to keep COVID-era staffing increases.

More than 500,000 people work in the civil service.

A union leader representing public-sector workers accused Ms. Reeves of announcing "an arbitrary figure" which would hurt the public services that Mr. Starmer and Ms. Reeves promised voters they would improve in last year's election.

"After 15 years of underfunding, any cuts will have an impact on front-line services," said Fran Heathcote, general secretary of the Public and Commercial Services Union.

REUTERS

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NOTICE

Chander Kant Sudan of Brampton, Ontario, had their membership and their Public Accounting Licence with the Chartered Professional Accountants of Ontario suspended for a period of four (4) months effective March 14, 2025, pursuant to a Settlement Agreement entered into by Chander Kant Sudan with the Professional Conduct Committee, and approved by the Discipline Committee on March 14, 2025. Notice to the public is a term of the Settlement Agreement.

The full Settlement Agreement and decision are available on the CPA Ontario website: <https://www.cpaontario.ca/protecting-the-public/hearings-appeals/cases/s-25-001>



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Court File No. CV-25-00738691-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF MITEL NETWORKS CORPORATION NOTICE OF RECOGNITION ORDERS

PLEASE BE ADVISED that this Notice is being published pursuant to an Initial Recognition Order (Foreign Main Proceeding) of the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") granted on March 19, 2025 (the "Initial Recognition Order").

PLEASE TAKE NOTICE that on March 9 and 10, 2025, MLN TopCo Ltd. and certain of its subsidiaries and affiliates, including Mitel Networks Corporation ("MNC"), commenced voluntary proceedings (the "Chapter 11 Proceedings") pursuant to chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of Texas (Houston Division) (the "U.S. Bankruptcy Court"). In connection with the Chapter 11 Proceedings, MNC was appointed to act as foreign representative (in such capacity, the "Foreign Representative") in respect of the Chapter 11 Proceedings in the Canadian Recognition Proceedings (defined below). The Foreign Representative's address is 4000 Innovation Drive, Kanata, ON K2K 3K1, Canada.

AND TAKE NOTICE that the Initial Recognition Order and a Supplemental Order (Foreign Main Proceeding) (collectively with the Initial Recognition Order, the "Recognition Orders") have been issued by the Canadian Court in proceedings (the "Canadian Recognition Proceedings") under Part IV of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), among other things: (i) declaring that the Chapter 11 Proceedings are recognized as a "foreign main proceeding", as defined in section 45 of the CCAA, in respect of MNC; (ii) granting a stay of proceedings against MNC in Canada; (iii) prohibiting the commencement of any proceedings against MNC or its directors and officers in Canada absent further order of the Canadian Court; (iv) recognizing certain orders granted by the U.S. Bankruptcy Court in the Chapter 11 Proceedings; and (v) appointing FIT Consulting Canada Inc. as the information officer with respect to the Canadian Recognition Proceedings (the "Information Officer").

AND TAKE NOTICE that motions, orders and notices filed with the U.S. Bankruptcy Court in the Chapter 11 Proceedings are available at: <https://sdtx.uscourts.gov/mnc/> and that the Recognition Orders, and any other orders that may be granted by the Canadian Court in the Canadian Recognition Proceedings, are available at: <https://cfcanada.ficonsulting.com/MitelCanada/>.

AND TAKE NOTICE that counsel for MNC is:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Mitel Networks Corporation Canadian Recognition Proceedings
Phone: (416) 979-2211
Email: mitelcanadianrecognition@goodmans.ca

PLEASE FINALLY TAKE NOTICE that if you wish to receive copies of the Recognition Orders or obtain further information in respect of the matters set forth in this Notice, you may contact the Information Officer

FIT Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
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Toronto, Ontario M5K 1G8

Attention: Mitel Networks Corporation Canadian Recognition Proceedings
Toll-free: (833) 529-8866
Phone: (647) 945-8371
Email: mitelcanada@ficonsulting.com

DATED AT TORONTO, ONTARIO this 24th day of March, 2025.

FIT Consulting Canada Inc., (solely in its capacity as Information Officer in the Canadian Recognition Proceedings, and not in its personal or corporate capacity)

APPENDIX "F"
[ATTACHED]

Trial to determine who will pay settlement in Ohio train derailment

Norfolk Southern wants GATX, OxyVinyls to share the cost of the \$600-million payment

JOSH FUNK

Norfolk Southern Corp. wants two other companies to help pay for the US\$600-million class-action settlement it agreed Monday to force the railcar owner GATX Corp. and the chemical manufacturer OxyVinyls to share the cost of the settlement because Norfolk Southern believes those companies are partly responsible for what happened in East Palestine, Ohio, on Feb. 3, 2023.

The railway filed the motion that is set to go to trial starting Monday to force the railcar owner GATX Corp. and the chemical manufacturer OxyVinyls to share the cost of the settlement because Norfolk Southern believes those companies are partly responsible for what happened in East Palestine, Ohio, on Feb. 3, 2023.

This lawsuit won't change anything about how much money residents will receive from the settlement or any payments the village or anyone else is set to receive because those are all established in various settlement agreements. This case will only affect which company has to write the checks to pay for the class-action settlement.

Residents are still waiting to receive most of the money from the settlement because of pending appeals, although some payments have started to go out. An assortment of chemicals spilled and caught fire after the train derailed in East Palestine. Three days later, officials blew open five tank cars filled with vinyl chloride because they feared those cars might explode, generating a massive black plume of smoke that spread over the town and forced evacuations.

Many residents still worry today about potential health consequences from those chemicals.

The derailment was the worst rail disaster since a crude oil train devastated Lac-Mégantic, Que., and killed 47 people in 2013. It prompted the U.S. to focus on rail safety and reforms, which were proposed in Congress before stalling without passing.

Norfolk Southern says companies share the responsibility.

Norfolk Southern already lost a similar lawsuit last year when it tried to force GATX and OxyVinyls to help pay for the environmental cleanup after the derailment that has cost the Atlanta-based railway more than US\$1-billion. It is making similar arguments again to try to get help paying for the class-action settlement.

"Norfolk Southern alone has paid the costs relating to the derailment despite ample evidence that other parties share in the responsibility. This trial is about reinforcing the role shippers and railcar owners play in transportation safety and ensuring everyone responsible pays their fair share," the railway said in a statement.

Norfolk Southern, like most railways, doesn't own most of the cars it hauls, and the railway says everyone involved in shipping hazardous chemicals bears some responsibility for ensuring their safety under federal regulations.

Norfolk Southern argues GATX bears some responsibility for the derailment because it owned the railcar filled with plastic pellets that caused the derailment when its bearing overheated, caught fire and failed that night, sending 38 cars off the rails.

Norfolk Southern also said it believes OxyVinyls should pay because the railway says chemical manufacturer provided inconsistent and inaccurate information about its vinyl chloride before officials decided to release and burn it.

Companies say Norfolk Southern was responsible for safety.

Both GATX and OxyVinyls say it would be ridiculous to hold them responsible for the derailment when Norfolk Southern operated and inspected the train and all the cars and was responsible for delivering the cargo safely.

"Norfolk Southern's claims against GATX are baseless," the railcar owner said in a statement.

GATX said it complied with all the relevant regulations for taking care of its railcars. The company said that even if the car was damaged six years earlier by standing parked in the middle of floodwaters from Hurricane Harvey, the railway should have spotted the problem and repaired it, sending GATX the bill for the repairs.

The National Transportation Safety Board said the crash was caused by the failure of an overheating bearing on GATX's railcar. The railway's sensors spotted the bearing starting to heat up in the miles before the derailment, but it didn't reach a critical temperature and trigger an alarm until just before the derailment. That left the crew scant time to stop the train.

Norfolk Southern recommended the vent-and-burn operation to release the vinyl chloride based partly on information about the chemical that OxyVinyls had published beforehand suggesting a chemical reaction could happen and cause the tank cars to explode.

But the NTSB confirmed in its investigation that was unnecessary because the tank cars were starting to cool off and the railway failed to listen to the advice from OxyVinyls' experts or share their opinions with the officials who made the decision.

"This trial is nothing more than Norfolk Southern's continued attempt to shift the blame, attention, and financial responsibility for its train derailment, response, and vent and burn decision to anyone other than itself," the Texas-based company said. "OxyVinyls did not cause the derailment, its tank cars did not breach, and it did not make the decision to vent and burn the VCM [vinyl chloride monomer] cars."

The trial is expected to last two to three weeks.

ASSOCIATED PRESS



Cleanup continues at the site of the derailment near the Ohio-Pennsylvania border in February, 2023. An assortment of chemicals spilled and caught fire after the train derailed in East Palestine, Ohio. MATT FREED/ASSOCIATED PRESS



Janice Thomson, CEO of Niagara Falls Tourism, says the number of domestic visitors is rising as Canadians 'rediscover their national pride.' JOE RAEDLE/GETTY IMAGES

Ontario's tourism industry is 'arms open' amid a welcome boost in bookings from Canadians

CASSIDY McMACKON

Tourism operators in Ontario's hot spots have been bracing for the fallout of U.S.-Canada tensions, but instead are seeing an uptick in demand that some attribute to Canadian staycations.

Still, experts say a booming summer travel season is not a guarantee across the province amid continuing economic uncertainty.

Prince Edward County business owners Rachel and Scott Clément say their initial concerns gave way to relief as bookings increased at their cottages in the popular destination that offers beaches, wine tours and camping less than three hours away from both Toronto and Ottawa.

Along with their brother Nick, the siblings own a company that operates tours and manages short-term vacation rentals in the area. In December, the Cléments started managing about 100 cottages at a resort near Sandbanks Provincial Park — mere weeks before U.S. President Donald Trump signed the first tariff order that kicked off a trade war between Canada and its southern neighbour.

"We were concerned we were going to lose bookings," Scott Clément said in a recent interview. "But then as Canadians started rallying, I think we realized we're probably going to do better than we believed."

The Cléments said the novelty of their cottage rentals makes it hard to directly compare this year's booking figures with those from 2024, but the resort is seeing roughly 87 per cent more bookings than it did this time last year.

Ms. Clément said that has provided "a lot of relief."

"We were scared that we were going to have another economic downturn and another period of uncertainty for the company."

Other Prince Edward County businesses are also expecting a busier summer.

Sol Korngold, general manager of The Royal Hotel in Picton, Ont., says he's seeing about 25 to 30 per cent more bookings than this time last year.

April Brown, owner of the boutique June Motel in Picton, says her bookings are up by about 10 per cent compared to March, 2024. Ms. Brown also runs June Motel locations in Sauble Beach and Beaver Valley, Ont.

Many of Prince Edward County's visitors come from the Greater Toronto Area, Ottawa and Quebec. Ms. Brown said about 90 per cent of people coming to her motels are from either Toronto or Montreal, while Mr. Korngold said at least 70 per cent of his customers come from the GTA, with a "smattering" of visitors arriving from the U.S.

The reported increase in bookings is consistent across the region, said Sarah Fox, executive director of Visit The County — a marketing agency for tourism in the area. Preliminary data from short-term vacation rental booking platforms such as Airbnb and VRBO projects 30 to 40 per cent more bookings for the coming summer compared to last year, she said.

"Everybody is excited," Ms. Fox said. "Our operators [have] seen a slight decline in business over the past couple of years, and we're still trying to understand what a normal summer season is compared to the COVID years when we had such a huge boom in tourism that we basically characterized as over-tourism."

In Ontario's Niagara Region, which draws millions of visitors from the U.S. every year, American travellers are expected to contribute to a summer tourism boost.

Janice Thomson, CEO of Niagara Falls Tourism, said the number of domestic visitors is rising as Canadians "rediscover their national pride," but there's also an influx of American tourists who are eager to make the most of the favourable currency exchange rate.

Andrew Siegwart, president and chief executive officer of the Tourism Industry Association of Ontario, agrees.

Many tourism businesses are waiting to see whether tensions between Canada and the U.S. escalate before hiring staff for the summer and planning marketing campaigns or expansions, Mr. Siegwart said.

And just because fewer Canadians are travelling across the border that doesn't necessarily mean Ontarians will stay in the province this summer. Mr. Siegwart warned. While staycations boosted Ontario's tourism industry during the pandemic, travellers now have the option to visit other parts of Canada or head abroad, he said.

A survey done for Destination Ontario found that 75 per cent of American respondents weren't likely to factor U.S.-Canada tensions into their own Ontario travel plans but maintaining that market is still important, Mr. Siegwart said.

Mr. Siegwart said it's important for Ontario to remain hospitable to all visitors. "The 'elbow's up' policy is important, but so too is the arms open on hospitality."

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Court File No. CV-25-00738691-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

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AND TAKE NOTICE that counsel for MNC is:

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PLEASE FINALLY TAKE NOTICE that if you wish to receive copies of the Recognition Orders or obtain further information in respect of the matters set forth in this Notice, you may contact the Information Officer

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Attention: Mitel Networks Corporation Canadian Recognition Proceedings
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DATED AT TORONTO, ONTARIO this 31st day of March, 2025.

FTI Consulting Canada Inc.,

(solely in its capacity as Information Officer in the Canadian Recognition Proceedings, and not in its personal or corporate capacity)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF MITEL NETWORKS CORPORATION
APPLICATION OF MITEL NETWORKS CORPORATION UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

FIRST REPORT OF THE INFORMATION
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