



This is the 3rd affidavit
of Paul Antoniadis in this case
and was made on July 11, 2024

No. S-244212
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c.57, AS AMENDED

AND

IN THE MATTER OF GOOD NATURED PRODUCTS INC., & THOSE ENTITIES LISTED
IN SCHEDULE "A"

PETITIONERS

AFFIDAVIT


I, Paul Antoniadis, businessperson, of 814 - 470 Granville Street, Vancouver, British Columbia,
AFFIRM THAT:

1. I am the Chief Executive Officer of good natured Products Inc. ("**GDNP PubCo**"), one of the petitioners in these proceedings. I have held this position since June, 2015. In my role as Chief Executive Officer of GDNP PubCo, I am responsible for overseeing the day-to-day operations of GDNP PubCo and the petitioners listed in Schedule "A" (collectively, the "**Petitioners**" or the "**Company**"), their liquidity management and, ultimately, for assisting in their restructuring process. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated and I believe them to be true.

2. Attached hereto as **Exhibit A** to this affidavit is a true copy of the engagement letter between GDNP PubCo and Capital West Partners in substantially final form.

AFFIRMED BEFORE ME at Vancouver,
British Columbia, on July 11, 2024.


A Commissioner for taking affidavits for
British Columbia



PAUL ANTONIADIS

EMMA NEWBERY
BARRISTER & SOLICITOR
Osler, Hoskin & Harcourt LLP
Suite 3000, Bentall Four
1055 Dunsmuir Street
Vancouver, BC V7X 1K8
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SCHEDULE A


Canadian Petitioners

1. good natured Products Inc.
2. good natured Real Estate Holdings (Ontario) Inc.
3. 1306187 B.C. Ltd.
4. good natured Products (CAD) Inc.
5. good natured Products Packaging Canada GP Inc.
6. good natured Products Packaging Brampton GP Inc.
7. good natured Products Industrial Canada GP Inc.
8. good natured Products Packaging Canada LP
9. good natured Products Packaging Brampton LP
10. good natured Products Industrial Canada LP

US Petitioners

11. good natured Products (US) Inc.
12. good natured Products (Illinois), LLC
13. good natured Products Real Estate U.S., LLC
14. good natured Products Packaging US LLC
15. good natured Products Direct LLC
16. good natured Products (Texas) LLC

This is Exhibit "A" referred to in the
Affidavit #3 of Paul Antoniadis affirmed before
me at Vancouver, BC,
this 11 day of July 2024



A Commissioner/Notary Public for the Province
of British Columbia

EMMA NEWBERY
BARRISTER & SOLICITOR
Osler, Hoskin & Harcourt LLP
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July 11, 2024

Private and Confidential

Good Natured Products Inc.
Suite #814 - 470 Granville Street, Vancouver, BC, V6C 1V5

Dear Mr. Paul Antoniadis

This agreement sets out the basis of the engagement of Capital West Partners ("**Capital West**") to act as exclusive financial advisor to Good Natured Products Inc., its shareholders and/or any related, associated or affiliated entities (collectively, the "**Company**") in connection with the sale and investment solicitation process (the "**SISP**") to solicit one or more or any combination of (1) a restructuring, recapitalization or other form of reorganization of the business and affairs of one or more of the Company as a going concern or otherwise, or (2) a sale of all, substantially all or one or more components of the Company's assets (the "**Property**") and/or business operations of the Company (the "**Business**") as a going concern or otherwise (collectively, a "**Transaction**").

1. Engagement

- 1.1 Subject to and in accordance with the terms and conditions set forth herein, the Company hereby engages Capital West and Capital West hereby agrees to act as the Company's exclusive financial advisor in connection with the SISP and the Transaction (the "**Engagement**").
- 1.2 The Engagement is for an initial term of four months ("**Initial Term**") and will automatically renew for each 30 day period thereafter until the date of the successful completion of the Transaction. Subject to section 6 hereof, the Engagement may be terminated at any time by either party hereto giving 30 days written notice to the other ("**Termination**").

2. Scope of Engagement

- 2.1 Under the terms of the Engagement, Capital West shall provide the Company with such advice and services as would be customary for a North American financial advisor to provide in relation to the SISP and the Transaction, including:
 - (a) preparing a list of potential bidders who may have an interest in the Transaction;
 - (b) preparing an initial offering summary notifying potential known bidders of the SISP and inviting potential known bidders to express interest in a Transaction;
 - (c) preparing and distributing a teaser letter and a form of confidentially agreement to potential known bidders with respect to the SISP and a Transaction;
 - (d) reviewing and determining the financial capabilities and technical expertise of all known potential bidders;

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- (e) preparing a confidential information memorandum ("**CIM**"), describing the opportunity to make a bid in the SISP and delivering the CIM to each known potential bidder;
- (f) providing information to potential bidders, including access to a data room established by Capital West, providing information for potential bidders to prepare a bid to submit in the SISP;
- (g) reviewing, in connection with the Company and the "**Monitor**", (Alvarez & Marsal Canada Inc.), any bids received during the SISP;
- (h) providing advice on the Transaction process;
- (i) preparing marketing materials for the Transaction;
- (j) soliciting prospective purchasers;
- (k) advising on the appropriate form and structure of the Transaction;
- (l) assisting in organizing due diligence information and coordinating the due diligence process;
- (m) assisting and advising on negotiating the terms and conditions of the Transaction (including with respect to any legal documentation to be entered into);
- (n) assisting in coordinating other advisors (e.g. legal and tax) in respect of the Transaction; and
- (o) managing the transaction process to closing of the Transaction.

2.2 If Capital West is requested to provide any other services in addition to those described above, the terms and conditions relating to such services will be outlined in a separate letter agreement and the fees for such services will be negotiated separately and in good faith and will be consistent with fees paid to financial advisors in North America for similar services.

2.3 The Company shall provide or otherwise make available on a timely basis to Capital West and its professional advisors such corporate, financial and other records and information of the Company, as well as access to its officers, directors, employees and professional advisors, as may be necessary or reasonably required by Capital West to assist Capital West in carrying out the Engagement. The Company agrees that, during the term of the Engagement, Capital West will be kept fully informed of all material business and financial developments affecting the Company.

2.4 Capital West shall be entitled to rely upon the information, documents, and data provided by the Company and shall be under no obligation to verify independently the accuracy or completeness of any such information, documents, or data. The Company will provide Capital West with complete and accurate information, documents and data.

3. Remuneration

3.1 The Company hereby agrees to pay Capital West the following amounts in consideration of Capital West accepting the Engagement:

- (a) **Work Fee.** The Company will pay Capital West a work fee ("**Work Fee**") consisting of: (i) \$75,000, to be paid on the date of the signing of this agreement in respect of the first 30 day period; and (ii) \$75,000, to be paid on the commencement of each 30 day period thereafter during the term of this agreement (including, for greater certainty, any renewal thereof). 50% of the 4th monthly Work Fee and 50% of each subsequent monthly Work Fee will be credited against the Transaction Success Fee.
- (b) **Success Fee.** Capital West will be paid a success fee ("**Transaction Success Fee**") based on the Enterprise Value (as defined below) implied under the Transaction on the following basis:

- 3.0% of Enterprise Value (as defined below).

Notwithstanding the above, the Transaction Success Fee will be a minimum of \$1,250,000, regardless of the Enterprise Value and any Work Fee credit referred to in Section 3.1(a).

The Transaction Success Fee will be paid in full at the closing of the Transaction, and the Company hereby assigns to Capital West an amount equal to the Transaction Success Fee from the proceeds to which the Company is otherwise entitled from the counterparty under the Transaction. The Company covenants to cause the Transaction Success Fee to be presented as a "closing document" on the closing agenda relating to the Transaction, and acknowledges that receipt by Capital West of payment of the Transaction Success Fee will be a condition precedent to the closing of the Transaction. The Company and Capital West will provide letters of direction with respect to the payment of the Transaction Success Fee in connection with the closing of the Transaction.

For purposes of this agreement, "**Enterprise Value**" is defined as the sum of the fair market value of the cash, securities, and other amounts paid or payable to the Company or its shareholders including, for avoidance of doubt, any amounts held in escrow.

- (c) **Expenses.** Capital West will be reimbursed in respect of any out-of-pocket expenses incurred in carrying out the Engagement, which reimbursement shall be payable on a monthly basis upon receipt of an invoice from Capital West. Although not currently anticipated, the parties acknowledge and agree that Capital West may need to retain legal counsel in respect of the engagement for the Company's account, provided that such legal counsel shall not be retained without the Company's prior consent.

3.2 All amounts described in subsection 3.1 will be subject to all applicable taxes, including excise taxes.

3.3 Invoices not paid when due will be charged interest of 1% per month.

- 3.4 The Company will seek a court ordered priority charge from the Supreme Court of British Columbia (the "Court") in the amounts and priorities as follows:
- a. a charge in the amount of \$75,000 with respect to the Work Fee, secured against the current and future assts, undertakings and properties of the Company ranking *pari passu* with the Administration Charge (as defined in the Amended and Restated Initial Order of the Court made July 8, 2024); and
 - b. a super priority charge in the amount of \$1,250,000 with respect to the Transaction Success Fee, secured against any and all proceeds from a sale Transaction, ranking in priority to all other claims.

4. Use of Advice

- 4.1 The Company acknowledges and agrees that all written and oral opinions, advice, analysis and materials provided by Capital West in connection with the Engagement are intended solely for the Company's benefit and its internal use only in considering the Transaction and the Company agrees that no such opinion, advice or material will be used for any other purpose whatsoever or be reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without Capital West's prior written consent in each specific instance.
- 4.2 Any advice or opinions given by Capital West hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualifications and reservations as Capital West, in its sole judgment, deems necessary or prudent in the circumstances.
- 4.3 Capital West expressly disclaims any liability or responsibility by reason of any unauthorized use, publication, or distribution of or reference to any oral or written opinions or advice or materials provided by Capital West or any unauthorized reference to Capital West, or this Engagement.

5. Termination

- 5.1 It is understood that any Termination of the Engagement by the Company will not affect Capital West's right to receive the fees earned, or to be reimbursed for expenses incurred under this agreement. The Company agrees and acknowledges that if this agreement is terminated:
- (a) Capital West shall be entitled to a minimum fee equal to the greater of (i) \$300,000; or (ii) the Work Fee (as defined above) earned by Capital West up to the date of Termination; plus, in either case, reimbursement in respect of the expenses incurred by Capital West up to the date of Termination; and
 - (b) Capital West will be entitled to receive the Transaction Success Fee if a Transaction is completed by the Company within 12 months of Termination.
- 5.2 The Company and Capital West agree that the following provisions shall survive any Termination of the Engagement or of this agreement: Sections 3.1, 3.2, 4.1, 5.1, 5.3, 7.3, 7.4 and 7.7.

6. General

- 6.1 The Company shall obtain all reasonable outside services for its own account to complete the Transaction. Capital West may, with the Company's prior consent, retain such outside services, in addition to those contemplated in paragraph 3.1(c), that it deems necessary to fulfill Capital West's duties hereunder for the Company's account.
- 6.2 It is hereby agreed that the Company and Capital West will perform all functions required hereunder in compliance with all applicable laws including, but not limited to, securities and regulatory laws.
- 6.3 Capital West agrees that all information, documents, and data relating to the Company and its business(es) and operations disclosed to, obtained by, or made available to Capital West (the "**Confidential Information**") shall be held confidential and shall not be disclosed by Capital West, except to its professional advisors in connection with the Engagement, unless authorized by the Company or required by any law or regulation and, in the latter case, only after timely notice to the Company to enable the Company to take such action as is available to it, in compliance with all applicable laws, to protect the confidentiality of the Confidential Information.
- 6.4 Each of the Company and Capital West agrees that the terms of this Engagement shall be confidential and shall not be disclosed without the prior written consent of each of the parties hereto. The Company agrees that it shall not make any public announcement concerning the appointment of Capital West or the Transaction without the written consent of Capital West, acting reasonably, and any public announcements shall be made in compliance with applicable securities laws. After completion of the Transaction, Capital West shall be entitled to place advertisements in electronic and print format at its own expense describing its services in connection with the Transaction. Notwithstanding the foregoing, the Company is expressly authorized to: (a) inform the Supreme Court of British Columbia (the "**Court**") that Capital West is acting as "Sales Agent" for the SISP and answer any questions the Court may have about Capital West's appointment and this agreement in connection with obtaining the Court's approval of the SISP; and (b) provide the Court with this agreement in a confidential affidavit of a representative of the Company under a sealing order of the Court.
- 6.5 If any provision of this agreement is determined to be illegal, invalid or unenforceable, that provision will be severed from this agreement and the remaining provisions will remain in full force and effect.
- 6.6 This agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, provided that no party may assign this agreement or any rights or obligations hereunder without the prior written consent of the other.
- 6.7 This agreement shall be governed by the laws of the Province of British Columbia and the laws of Canada applicable thereto and the parties hereto hereby irrevocably attorn to the exclusive jurisdiction of the Courts of the Province of British Columbia (and, if necessary, the Supreme Court of Canada).
- 6.8 This agreement constitutes the entire agreement between the Company and Capital West respecting the matters dealt with herein and the parties hereto are not bound by

any representation, warranty, promise, agreement or inducement respecting such matters not embodied or contained in this agreement.

Execution Page Follows

If you are in agreement with the terms and conditions of this letter, please indicate your acceptance thereof by signing one copy and returning it to Capital West.

Yours truly,

CAPITAL WEST PARTNERS

By: _____

Authorized Signatory

The foregoing is accepted and agreed to this 11th day of July, 2024.

GOOD NATURED PRODUCTS INC.

By: _____
Mr. Paul Antoniadis
Chief Executive Officer