



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

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE	)	
MADAM JUSTICE FITZPATRICK	)	2024/08/29
	)	

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 29 day of August, 2024; AND ON HEARING Emma Newbery and Christian Graton, counsel for the Petitioners and those other counsel listed on Schedule "B" hereto; AND UPON READING the material filed, including the First Affidavit of Jason Braam sworn August 26, 2024 (the "**First Braam Affidavit**"), and the Second Affidavit of Jason Braam sworn August 28, 2024 (the "**Second Braam Affidavit**"); AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules, BC Reg 168/2009, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

## **DEFINITIONS**

1. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them the Amended and Restated Initial Order of this Court dated July 8, 2024 (the “**ARIO**”), or the Order of this Honourable Court granted July 11, 2024 approving DIP financing (the “**DIP Approval Order**”), as applicable.

## **KERP APPROVAL**

2. The key employee retention plan is attached hereto as Schedule “C” (the “**KERP**”) is hereby approved and the Petitioners are authorized and directed to make payments in accordance with the terms thereof.

3. The Petitioners are authorized to deliver such documents as may be necessary to give effect to the KERP, subject to prior approval of the Monitor, or as may be ordered by this Court.

4. Each of the KERP participants (as listed in the Second Braam Affidavit) shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on the Property, which charge shall not exceed the maximum principal amounts of \$116,000 as security for the obligations of the Petitioners under the KERP. The KERP Charge shall have the priority set out in this Order.

## VALIDITY AND PRIORITY OF CHARGES

5. Paragraph 35 of the ARIO and Paragraph 15 of the DIP Approval Order are amended and restated such that priorities of the Administration Charge, the DIP Lender's Charge, the Directors' Charge, the Cap West Work Fee Charge, and the KERP Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and the Cap West Work Fee Charge (to the maximum amount of \$75,000);

Second – DIP Lender's Charge (provided that the DIP Lender's Charge shall only secure the aggregate of the borrowings and obligations under the Credit Agreement, made on or after the date of this Order to the maximum amount of \$15,100,000, plus interest, fees and expenses in accordance with the Definitive Documents);

Third – Directors' Charge (to the maximum amount of \$400,000); and

Fourth – KERP Charge (to the maximum amount of \$116,000).

6. Notwithstanding paragraph 37 of the ARIO, the KERP Charge shall be subordinate to the security of The Toronto-Dominion Bank ("**TD Bank**") and Royal Bank of Canada (formerly HSBC Bank Canada) ("**RBC**") in respect of the priorities granted in the Third Amended and Restated Intercreditor Agreement amongst the Petitioners, the DIP Lender, TD Bank, RBC, and Export Development Canada, dated February 22, 2024, and in the case of RBC, such shall be subordinate to the HSBC Priority Collateral (as defined therein), the Purchase Money Security Interest of RBC in respect of the PTI Model G5000 Extrusion System, and the term deposit in account 00990244624-0001 at RBC.

## GENERAL

7. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the

Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

8. This Court requests the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

9. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

\_\_\_\_\_  
Signature of

☐ Party ☒ Lawyer for the Petitioners

*Emma Newbery.*

\_\_\_\_\_  
Emma Newbery

BY THE COURT

*Holmes A.C.  
for Fitzpatrick J.*

\_\_\_\_\_  
REGISTRAR

## **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

**SCHEDULE "B"**

**Appearance List**

<b>NAME</b>	<b>APPEARING FOR</b>
Emma Newbery Christian Garton	The Petitioners
Lance Williams Ashley Bowron	The Monitor, Alvarez & Marsal Canada Inc.
Kieran Siddall Candace Formosa	Wells Fargo Capital Finance Corporation Canada
Cassandra Federico Valerie Cross	Royal Bank of Canada
Heather Frydenlund	Toronto-Dominion Bank
Laura Culleton	Export Development Canada

**SCHEDULE "C"**

KERP, omitting the confidential Schedule "B" to the KERP

*(See attached)*

## GOOD NATURED PRODUCTS INC. KEY EMPLOYEE RETENTION PLAN

GOOD NATURED PRODUCTS INC. those entities listed in **Schedule “A”** (collectively, the “**Company**”) have commenced restructuring proceedings (“**Proceedings**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”). In order to retain key employees of the Company while the Company restructures, the Company hereby establishes a key employee retention plan (“**KERP**”) on the terms set forth below.

The KERP is subject to the recommendation of Alvarez & Marsal Canada Inc. (the “**Monitor**”) and approval by the Supreme Court of British Columbia (the “**Court**”) in the Proceedings.

**Eligibility** Participation in the KERP will be limited to those employees (each a “**Participant**”) who have been identified by the Company, in consultation with the Monitor, as “Key Employees” who are critical to continuing the Company’s operations and pursuing a sale or investment transaction for the benefit of the Company’s stakeholders.

**Retention Payments** All Participants will be entitled to receive retention payments under the KERP (“**Retention Payments**”) on the terms and conditions herein, and as more particularly set out on **Schedule “B”** hereto. The purpose of the Retention Payments is to provide a cash incentive to Participants to continue their employment with the Company through the earlier of:

- (a) the full anticipated term of the restructuring and the completion of the Proceedings;
  - (b) the closing of a Transaction (as defined in the Order of the Court granted July 11, 2024, approving a sales and investment solicitation process the “**SISP**” and the “**SISP Order**”); or
  - (c) the employment is terminated by the Company without cause
- (items (a) through (c) collectively, a “**Triggering Event**”).

Retention Payments will be paid to Participants on the next regular payroll date following a Triggering Event (the “**Trigger Date**”).

Each Participant is required to continue to perform his or her duties in a competent manner and comply with all employment agreements and Company rules and policies. In the event that a Participant is terminated for cause by the Company or resigns before the Trigger Date, then the Participant will not be entitled to receive any Retention Payment.

If a Participant is, or becomes, a principal, controlling shareholder, controlling investor, or controlling participant in any entity that qualifies as a “**Successful Bidder**”, as defined in the SISP Order, then the Participant will not be entitled to receive any Retention Payment.



<b><i>Statutory Remittances</i></b>	All Retention Payments will be considered earnings from a Participant's employment and subject to income tax and other statutory deductions required by law.
<b><i>Priority Charge</i></b>	A charge on the property of the Company currently charged by court-ordered charges in the Proceedings, up to a maximum amount of \$116,000 and ranking in priority to all claims other than the Administration Charge, the Cap West Working Fee Charge, the DIP Lender's Charge, and the Directors' Charge (as each is defined in the Order of the Court granted July 8, 2024, the "ARIO") granted in the Proceedings as security for payment of amounts owing to Participants under the KERP.
<b><i>Confidentiality</i></b>	The terms of the KERP shall be kept strictly confidential by the Participants and may only be disclosed by a Participant to members of the Participant's immediate family and his or her professional counsel and financial advisors.
<b><i>Administration</i></b>	<p>The KERP shall be administered by the board of directors of the Company (the "<b>Board</b>"), unless and to the extent that the Board determines to delegate the administration of this KERP, in whole or in part, to any committee of the Board. The Board shall have the full power and authority to take all actions, and to make all determinations, required or provided for under this KERP, and all such other actions and determinations not inconsistent with the specific terms and provisions of this KERP deemed by the Board to be necessary or appropriate to the administration of this KERP. The interpretation and construction by the Board of any provision of this KERP shall be final, binding and conclusive.</p> <p>The approval of the Court shall be required for any proposed amendment of this KERP.</p>
<b><i>Miscellaneous</i></b>	<p>Retention Payments will not be considered earnings for the purpose of determining vacation pay or for the purpose of determining any earnings-based Company-provided employee benefits, including any savings, pension, severance or bonus plan.</p> <p>Nothing in the KERP shall confer upon any Participant any right to continue in the employ or service of the Company, or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to remove, terminate or discharge, as applicable, any Participant at any time for any reason whatsoever.</p> <p>The KERP is in addition to any other agreement between a Participant and the Company. Nothing in this KERP shall eliminate, substitute for or replace any obligation the Company has to a Participant in any other employment agreement, incentive compensation or retention plan or the like that may be in effect between the Participant and the Company.</p>

The KERP shall continue to be in effect until all amounts payable under the KERP have been paid.

## **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.
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7. good natured Products Industrial Canada GP Inc.
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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

**SCHEDULE “B”**

Redacted.

(Unredacted version of this Schedule “B” included as Schedule “B” to Exhibit “A” of the sealed Affidavit #2 of Jason Braam, made August 28, 2024)