

Court File No. BK-24-03050418-0031
Estate /Court File No. BK-31-3050418

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

MOTION RECORD OF
THE BODY SHOP CANADA LIMITED
(MOTION RETURNABLE MAY 30, 2024)

May 23, 2024

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TO: THE SERVICE LIST

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OF ONTARIO

**NOTICE OF MOTION
(Returnable May 30, 2024)**

THE BODY SHOP CANADA (“**TBS Canada**” or the “**Company**”) will make a motion to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on May 30, 2024, at 10:00 am or as soon thereafter as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard (*choose appropriate option*)

- In writing under subrule 37.12.1(1) because it is ;
- In writing as an opposed motion under subrule 37.12.1(4);
- In person;
- By telephone conference;
- By video conference.

at the following location:

<https://ca01web.zoom.us/j/61804264297?pwd=MEpzRUtlUVB0UGc4eStsVGNTYmkxUT09#success>

Meeting ID: 618 0426 4297
Passcode: 057603

THE MOTION IS FOR

1. an order, in substantially the form attached at Tab 3 of the Motion Record dated May 23, 2024:

- (a) extending the time for TBS Canada to file a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) to July 12, 2024;
- (b) approving the activities and conduct of Alvarez & Marsal Canada Inc., in its capacity as proposal trustee of TBS Canada (the “**Proposal Trustee**”) as set out in its Third Report dated May 15, 2024 and Fourth Report, filed in connection with this motion; and
- (c) such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION are as follows:

A. Background of this NOI Proceeding

2. TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products with 72 stores across Canada.¹ The Company also has a U.S. affiliate – Buth-Na-Bodhaige Inc. (“**TBS US**”). TBS Canada and TBS US are indirect wholly owned subsidiaries of The Body Shop International Limited (“**TBS International**” or the “**UK Parent**”), which is indirectly owned by Aurelius IV UK Acquico Eight Limited (together with its affiliates, “**Aurelius**”);

¹ On the Filing Date, the Company operated 105 stores but 33 of its stores were closed and the inventory at those stores was liquidated as part of its restructuring efforts.

3. On February 13, 2024, TBS International filed for administration in the United Kingdom (“**UK Administration**”) and Tony Wright, Geoff Rowley and Alastair Massey of FRP Advisory were appointed as joint administrators of the UK Parent (collectively, the “**UK Administrators**”);

4. Historically, the UK Parent provided several accounting and cash management functions for TBS Canada. These services were provided pursuant to a cash management system and cash pooling arrangement between the entities, whereby funds deposited into bank accounts held by the Company at Royal Bank of Canada (formerly HSBC Bank Canada) (“**RBC**” and such accounts, collectively, the “**Bank Accounts**”) were swept by the UK Parent and used to pay the Company’s payables, among other things;

5. In the weeks leading up to the UK Administration, the UK Parent swept cash from the Bank Accounts but failed to remit payments owing to the Company’s suppliers and landlords. This caused an immediate liquidity crisis for TBS Canada and significant outstanding payables;

6. The Company urgently needed the benefit of the stay and on March 1, 2024 (the “**Filing Date**”), TBS Canada filed a Notice of Intention to Make a Proposal (“**NOI**”) under subsection 50.4(1) of the BIA. Alvarez & Marsal Canada Inc. was appointed the Proposal Trustee;

B. Activities of the Company since the Filing Date

7. On March 4, 2024, TBS Canada sought and obtained certain expanded relief in this NOI proceeding pursuant to an order of this Court (the “**March 4 Order**”). The March

4 Order, among other things: (a) prohibited any disbursement of funds from the Bank Accounts without the prior consent of the Company or the Proposal Trustee; (b) directed all persons to return to TBS Canada all the books and records and other property in their possession belonging to the Company; and (c) granted charges over the Company's property in favour of the Proposal Trustee, its counsel and counsel to the Company in the amount of \$700,000 and TBS Canada's directors and officers to a maximum of \$2,100,000.

8. On March 8, 2024, TBS US filed a voluntary petition under chapter 7 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "**Chapter 7 Proceedings**"). Mr. Kenneth Silverman from Rimon P.C. has been appointed as the trustee for TBS US under the Chapter 7 Proceedings (the "**US Trustee**");

9. On April 15, 2024, this Court made an order (the "**April 15 Order**"), among other things, extending the time for TBS Canada to file a proposal until May 31, 2024 and approving a key employee retention plan and related charge for certain employees and independent contractors of TBS Canada;

10. TBS Canada's activities since the Filing Date have all been undertaken with a view to maximizing the value of the business, for the benefit of its stakeholders;

11. Since the Filing Date, TBS Canada has, among other things:

(a) stabilized its operations;

- (b) engaged with its key stakeholders, the UK Administrators the UK Parent, the US Trustee and Aurelius;
- (c) liquidated the inventory at 33 of its stores and made certain headcount reductions;
- (d) worked with the UK Parent, the UK Administrators, and the US Trustee to replenish inventory at its 72 operating stores;
- (e) established relationships with shipping, brokerage, warehousing and logistics suppliers to facilitate inventory deliveries to TBS Canada;
- (f) engaged with the UK Administrators, the UK Parent and RBC to, among other things, ensure the necessary measures are in place to prevent the UK Parent from sweeping any of TBS Canada's funds in the Bank Accounts from or after the Filing Date
- (g) engaged counsel in the United Kingdom to assist it in navigating the UK Administration; and
- (h) filed a proof of debt in the UK Administration against the UK Parent;

12. TBS Canada has also advanced discussions with the UK Administrators, the UK Parent and other parties with respect to settling the terms of a proposal and going concern solution for the continuation of "The Body Shop" business in Canada. In this regard, the Company recently provided the parties with a term sheet that would provide for a going concern solution for the Canadian business;

13. TBS Canada requires the UK Parent and the UK Administrators to be supportive of any going concern solution for the Company because the UK Parent and its affiliates own the rights to the “The Body Shop” brand and all of the Company’s inventor is sourced from the UK Parent;

14. The UK Administrators are currently pursuing a sale process for the business and assets of TBS International (the “**UK Sale Process**”). TBS Canada, the Proposal Trustee and the UK Administrators are hopeful that they can continue to advance the term sheet in connection with the UK Sale Process;

15. Parties are expected to submit bids in the UK Sale Process by the end of June 2024;

C. Relief Sought on the Motion

Extension of Time to File a Proposal

16. TBS Canada is seeking an extension of the time to file a proposal from May 31, 2024, which is the current expiration date, to July 12, 2024 (the “**Extension**”);

17. The Extension will provide TBS Canada with the requisite time to continue engaging with the UK Parent, the UK Administrator, Aurelius and interested parties, all with the goal of implementing a proposal and facilitating a going concern solution for the Canadian business;

18. The Extension will also allow for the UK Sale Process to be implemented and allow TBS Canada the opportunity to advance the term sheet in connection with the UK Sale Process;

19. TBS Canada has and intends to continue to work in good faith and due diligence in the period prior to and during this NOI proceeding;

20. If granted, the Extension sought on this motion will not cause any prejudice to TBS Canada's creditors;

21. The updated cash flow statement prepared by TBS Canada demonstrates that the Company has sufficient liquidity to fund operations during the requested Extension;

22. The Proposal Trustee is supportive of the proposed Extension;

Approval of the Proposal Trustee's Activities and Reports

23. TBS Canada seeks this Court's approval of the activities and conduct of the Proposal Trustee, as set out in the Third Report and Fourth Report;

24. The Proposal Trustee has, among other things, provided assistance to the Company in its engagement with stakeholders, the UK Parent, the UK Administrators, Aurelius and the Chapter 7 Trustee, assisted in the preparation of TBS Canada's cash flows, facilitated TBS Canada's inventory replenishment efforts and been involved with the Company's discussions regarding the terms of a proposal and going concern solution for the business in Canada;

D. Other Grounds

25. Sections 50.4(9), 69 and 183 of the BIA;
26. Rules 1.04, 1.05, 2.03, 3.02, and 37.01 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
27. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Affidavit of Jordan Searle sworn May 23, 2024;
- (b) The Third Report;
- (c) The Fourth Report;
- (d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

May 23, 2024

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Toronto

**NOTICE OF MOTION
THE BODY SHOP CANADA LIMITED**

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**AFFIDAVIT #4 OF JORDAN SEARLE
Sworn May 23, 2024**

I, Jordan Searle, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am the General Manager, North America and the sole director of The Body Shop Canada Limited (“**TBS Canada**” or the “**Company**”). I have been the General Manager since February 10, 2023. I am also an officer and director of TBS Canada’s U.S. affiliate, Buth-Na-Bodhaige Inc. (“**TBS US**”). I have been actively engaged in the discussions and negotiations surrounding the financial circumstances of TBS Canada since prior to the commencement of these proceedings. As such I have personal knowledge of the matters referred to in this Affidavit. Where I have relied upon other sources of information, I have stated the source of that information and verily believe such information to be true.
2. On March 1, 2024 (the “**Filing Date**”), TBS Canada filed a notice of intention to make a proposal (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c.

B-3. Alvarez & Marsal Canada Inc. was appointed to act as the proposal trustee (the “**Proposal Trustee**”).

3. This Affidavit is sworn in support of the motion brought by TBS Canada for an order:

- (a) extending the time for TBS Canada to file a proposal under the BIA to July 12, 2024; and
- (b) approving the activities and conduct of the Proposal Trustee as set out in its third report dated May 15, 2024 (the “**Third Report**”) and fourth report, filed in connection with this motion (the “**Fourth Report**”).

4. In connection with this NOI proceeding, I swore an affidavit dated March 1, 2024 (the “**First Affidavit**”), a copy of which is attached to this Affidavit as **Exhibit “A”**, without the exhibits referred to therein. I also swore an affidavit dated April 8, 2024 (the “**Second Affidavit**”) and together with the First Affidavit, the “**Prior Affidavits**”), a copy of which is attached to my Affidavit as **Exhibit “B”**, without the exhibits referred to therein. Where relevant, I have repeated certain portions of the Prior Affidavits in this Affidavit.

A. Background and Overview

(i) Events Leading up to the Filing of the NOI

5. TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products with 72 stores across Canada.¹ TBS Canada and TBS US are indirect wholly owned subsidiaries of The Body Shop International Limited (“**TBS International**” or the “**UK Parent**”), which is indirectly owned by Aurelius IV UK Acquico Eight Limited (“**Aurelius Purchaser**” and together with its affiliates, “**Aurelius**”).

6. On or about December 2023, Aurelius Purchaser indirectly acquired all of the shares of TBS International.

7. On February 13, 2024, three months after the completion of the share acquisition, the UK Parent filed for administration (the “**UK Administration**”) in the United Kingdom, which I understand is the dominant legal procedure for restructuring insolvent companies in England and Wales. Tony Wright, Geoff Rowley and Alastair Massey of FRP Advisory were appointed as joint administrators of the UK Parent (collectively, the “**UK Administrators**”).

¹ On the Filing Date, the Company operated 105 stores but has closed 33 of its stores as part of its restructuring efforts.

(ii) The Filing of the NOI

8. TBS Canada and TBS US historically relied on the UK Parent for a variety of shared services, including legal, accounting/finance, treasury, tax, human resources, payroll, information technology, real estate, inventory, distribution and logistics services. TBS Canada and TBS US also license the right to market and sell “The Body Shop” branded products from the UK Parent.²

9. As described in my Prior Affidavits, the UK Parent managed the shared services through a cash management and pooling system. In Canada, TBS Canada’s funds were deposited into TBS Canada’s bank accounts held at Royal Bank of Canada (formerly HSBC Bank Canada) (the “**Bank Accounts**”) and then transferred to TBS International in the UK, and used to pay TBS Canada’s payables at the direction of the Company and intercompany expenses, including for inventory and other shared services.

10. In the weeks leading up to the UK Administration, the UK Parent swept cash from the Bank Accounts but failed to remit payment for amounts owing to TBS Canada’s vendors, suppliers and landlords. This caused an immediate liquidity crisis for TBS

² As disclosed in my Second Affidavit, certain intellectual property assets were placed into a separate entity affiliated with TBS International prior to the UK Administration. The UK Administrators have since confirmed that the UK Parent has been reinstated as the sole legal and beneficial owner of all relevant intellectual property, including intellectual property licensed to TBS Canada.

Canada, as all funding for the Company and its Canadian operations were cut off with no advance notice.

11. TBS Canada urgently required a stay of proceedings to give it the breathing room needed to review and advance its restructuring options. As a result, the Company filed the NOI on March 1, 2024.

(iii) Activities Since the Filing Date

12. On March 4, 2024, this Court made an order (the “**March 4 Order**”), among other things, extending the time for TBS Canada to file a proposal to April 16, 2024 and granting certain other relief that the Company required to allow it to continue its business operations and protect the value of its assets. A copy of the March 4 Order and endorsement are attached to my Affidavit as **Exhibit “C”**.

13. The March 4 Order, among other things, (a) granted charges in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company in the amount of \$700,000 and the director and officers of TBS Canada in the amount of \$2,100,000, (b) directed all persons who have in their possession or power, any property of TBS Canada, or any book, document or paper of any kind relating to the Company, to produce the book, document or paper for TBS Canada, or to deliver to the Company any property of TBS Canada in their possession, and (c) prohibited any person, specifically Royal Bank of Canada, from disbursing any funds in the Bank Accounts without the prior consent of TBS Canada or the Proposal Trustee.

14. On April 15, 2024, this Court made an order (the “**April 15 Order**”), among other things, extending the time for TBS Canada to file a proposal to May 31, 2024 and approving a key employee retention plan and related charge for certain employees and independent contractors of TBS Canada (the “**KERP**” and “**KERP Charge**”). A copy of the April 15 Order and endorsement are attached to my Affidavit as **Exhibit “D”**.

15. Since the Filing Date, TBS Canada has acted in good faith and made diligent efforts to improve its liquidity position, stabilize its operations and pursue a going-concern solution for the continuation of the “The Body Shop” business in Canada.

16. These efforts have included:

- (a) closing and liquidating 33 underperforming stores (the “**Closing Stores**”);
- (b) terminating the employment of 197 store-level employees whose employment related to the Closing Stores and approximately 20 head office employees (together with the terminated store-level employees, the “**Former Employees**”);
- (c) operating the remaining 72 stores in the ordinary course (the “**Going Concern Stores**”);

- (d) engaging with the UK Administrators, the UK Parent and the Chapter 7 Trustee (defined below) on operational matters, including efforts to replenish inventory at the Going Concern Stores;
- (e) establishing relationships with shipping, brokerage, warehousing and logistics suppliers to facilitate inventory deliveries to TBS Canada;
- (f) engaging with the UK Administrators, the UK Parent and the Royal Bank of Canada to understand the shared services, the cash management system and to ensure the necessary measures are in place to prevent the UK Parent from sweeping any of TBS Canada's funds in the Bank Accounts from or after the Filing Date; and
- (g) engaging with the UK Parent, the UK Administrators, Aurelius and potential purchasers on developments in the UK Administration and the terms of a BIA proposal for TBS Canada.

17. As noted above, I am swearing this Affidavit in support of the Company's request for an extension of the time to file a proposal to July 12, 2024 (the "**Extension**"). The Extension will provide TBS Canada with the ongoing benefit of the stay of proceedings while the UK Parent seeks a buyer for its assets or business within the UK Administration, with the ultimate goal of TBS Canada implementing a proposal, which will also see a going concern solution for its business in Canada.

18. I also swear this Affidavit to provide the Court with updates on:
- (a) the Company's engagement with stakeholders since April 15, 2024, the date of the last hearing;
 - (b) TBS International and the UK Administration;
 - (c) the Chapter 7 Proceedings (defined below) in respect of TBS US;
 - (d) TBS Canada's inventory replenishment transactions;
 - (e) Canadian employee matters; and
 - (f) TBS Canada's ongoing efforts to pursue a going concern solution.

B. Engagement with Stakeholders

19. As described in my Prior Affidavits, TBS Canada does not have any significant secured creditors. TBS Canada has three key primary stakeholder groups: (a) employees, including the Former Employees; (b) landlords; and (c) trade creditors. The Company, with the assistance of the Proposal Trustee, has continued to engage with its stakeholders, including with counsel for its landlords and counsel for certain of the Former Employees, on numerous matters, including providing updates on developments in the UK Administration, payment of rent, updates regarding the Company's operations and calculations of claims of TBS Canada's stakeholders.

20. TBS Canada served the service list with a copy of the April 15 Order, including counsel for its landlords and counsel for certain Former Employees.

21. To date, none of the Company's stakeholders, Aurelius, the UK Parent nor the UK Administrators has raised any issues or concerns with the relief obtained in the April 15 Order.

C. TBS International and the UK Administration

(i) The UK Meeting of Creditors

22. As described in my Second Affidavit, on April 4, 2024, the UK Administrators released an Administrator's Statement of Proposals (the "**UK Report**"), which is attached as **Exhibit "E"** to my Affidavit.

23. The UK Report served as a detailed briefing for the creditors of TBS International and provided information about the circumstances giving rise to the appointment of the UK Administrators. Furthermore, it outlined the strategic direction and UK Administrators' intended plans for TBS International. In the UK Report, the UK Administrators stated that at that time the primary objective of the UK Administration is a rescue of TBS International through a company voluntary arrangement ("**CVA**"), which I describe below, failing which, the UK Administrators would seek a sale of the business and assets of TBS International.

24. TBS Canada has engaged Macfarlanes LLP ("**Macfarlanes**") as its legal advisors in the UK to assist it in navigating the UK Administration. I understand from Macfarlanes

that a CVA is a debtor-led statutory insolvency procedure in England and Wales that can be used for a company to reach an arrangement with its creditors.

25. On May 2, 2024, the UK Administrators convened³ an in-person meeting of creditors of the UK Parent (the “**UK Meeting of Creditors**”). The purpose of the UK Meeting of Creditors was to approve certain remuneration of the UK Administrators and approve certain other related matters. I understand from Macfarlanes that the outcome of the vote at the UK Meeting of Creditors ultimately determines whether the UK Parent would be permitted to pursue the CVA or would be required to pursue an alternative process, which may include the sale of its assets as a going concern or potentially in a liquidation.

26. The Company appointed Macfarlanes as its proxy in order to attend the UK Meeting of Creditors on the Company’s behalf. The proxy is attached to my Affidavit as **Exhibit “F”**.

27. I am advised by Macfarlanes that they attended the UK Meeting of Creditors and that all necessary approvals were obtained to allow the UK Administrators to continue with the CVA process.

³ The UK Meeting of Creditors was originally scheduled for April 23, 2024 and rescheduled for May 2, 2024.

(ii) The Sale Process

28. On May 17, 2024, I became aware that there were reports in the UK press that the UK Administrators had determined that it would not be possible to reach the necessary agreements with existing stakeholders for a CVA to proceed, notwithstanding that the requisite approvals had been obtained at the UK Meeting of Creditors.

29. I am advised by Macfarlanes that they discussed the substance of these reports with the UK Administrators and the UK Administrators confirmed that due to stakeholder negotiations breaking down, a CVA was no longer viable, and the UK Administrators were instead seeking a sale of the business and assets of TBS International.

30. On May 21, 2024, the UK Administrators issued a creditor update letter confirming their determination to commence a sale process in respect of the UK Parent. The creditor update letter is attached to my Affidavit as **Exhibit "G"**.

31. Attached to my Affidavit as **Exhibit "H"** is an email from the UK Administrators to Macfarlanes dated May 20, 2024 regarding the sale process. In the email, the UK Administrators advise that at this time, they are inviting initial bids by June 10, 2024, with a target completion date of June 27, 2024. In the May 20 email, the UK Administrators expressed their hope that they will secure a transaction that will allow for the majority of the current business of TBS International to continue.

32. It is not clear however, at this time whether any sale will preserve the current organizational structure with TBS Canada as a subsidiary of the UK Parent. I am advised the UK Administrators have a duty to creditors of TBS International to seek the best price reasonably obtainable for the business and assets of the UK Parent and as such will consider whether the sale should be the business and assets of TBS International as a whole or on a piecemeal basis.

(iii) Secured Creditors of the UK Parent

33. As described above, Aurelius Purchaser indirectly acquired all of the shares of TBS International in December 2023. In connection with that acquisition, Aurelius IV UK Acquico Seven Limited ("**Aurelius Seven**"), the immediate parent company of the Aurelius Purchaser, entered into a loan agreement (the "**Aurelius Loan Agreement**") with TBS International, pursuant to which GBP £2,720,741.98 was made available to TBS International on a secured basis to assist with the funding of the acquisition of the UK Parent.

34. As disclosed in my Prior Affidavits, the obligations of the UK Parent under the Aurelius Loan Agreement are guaranteed by TBS Canada on a secured basis. The obligations are payable on demand. To date, TBS Canada has not received any such demand from Aurelius Seven or any of its affiliates.

35. I understand that prior to the UK Administration, Aurelius Seven registered a security interest against the UK Parent in connection with the Aurelius Loan Agreement

at Companies House, which I understand is the executive agency of the British Government that maintains the registry for publicly available documents in respect of companies, including where security is registered against companies. I also understand that the only other party with a registered security interest at Companies House against TBS International is a company named ALMA24 Limited (“**ALMA24**”).

36. The UK Administrators have advised that they have conducted a review of the security of both Aurelius Seven and ALMA24 and have reached the conclusion that both transactions would be susceptible to challenge under the applicable regimes within the *Insolvency Act 1986* and that these findings have been communicated to Aurelius Seven and ALMA24.

37. The UK Administrators further advised that Aurelius Seven has expressly acknowledged that should a rescue of the business of TBS International not be achieved, the security granted in favour of Aurelius Seven would be subject to challenge. I understand that now that the UK Administrators have pivoted towards a sale of the business and assets of the UK Parent, the UK Administrators expect that Aurelius Seven will agree to release its security to permit a sale to take place.

38. The UK Administrators have also advised that they are seeking a similar consensual release from ALMA24.

(iv) Proof of Debt

39. On May 17, 2024, the Company submitted a proof of debt (the “**Proof of Debt**”) in connection with the UK Meeting of Creditors setting out the Company’s claim against the UK Parent in the minimum amount of \$44,015,347.21 (£25,770,985.79). The Proof of Debt includes the Company’s claim against the UK Parent, comprised of: (a) the net intercompany receivable position of TBS Canada as of the date the UK Administration commenced⁴, and (b) claims by TBS Canada for the financial, legal and other professional fees and costs associated with this NOI proceeding. The Proof of Debt is attached to my Affidavit as **Exhibit “I”**.

40. In light of the fact that the security registered against the UK Parent is subject to challenge, I am advised that there is a likelihood that the Company will receive a distribution from the proceeds of any sale of TBS International’s assets or business – although at this time, the amount and timing of such distribution is unknown.

41. I am advised that once the UK Administrators are in a position to declare a first dividend or distribution to the creditors of the UK Parent following the completion of the sale process, the UK Administrators must notify creditors of this intention and establish the final date for proofs of debt to be delivered (the “**UK Bar Date**”). Within 14 days of the

⁴ An overview of the intercompany receivable position between TBS Canada and the UK Parent is provided in the Proposal Trustee’s Second Report dated April 9, 2024.

UK Bar Date, the UK Administrators will either admit or reject (in whole or in part), the proofs of debt filed.

42. While the Company has already filed the Proof of Debt in connection with the UK Meeting of Creditors, they will be required to submit a further proof of debt by the UK Bar Date or resubmit the Proof of Debt previously filed.

D. TBS US and the Chapter 7 Proceedings

43. TBS US is a wholly-owned subsidiary of the UK Parent and previously operated the “The Body Shop” business in the United States.

44. On March 8, 2024, TBS US filed a voluntary petition and commenced proceedings under chapter 7 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “**Chapter 7 Proceedings**”). Mr. Kenneth Silverman from Rimon P.C. has been appointed as the trustee for TBS US under the Chapter 7 Proceedings (the “**Chapter 7 Trustee**”).

45. The first meeting of creditors of TBS US was held on April 9, 2024. I attended this meeting in my capacity as a director and officer of TBS US. At this meeting, the appointment of the Chapter 7 Trustee was affirmed and creditors were permitted to ask questions of me.

46. As explained in my Prior Affidavits, TBS Canada's operations are highly integrated with TBS US and TBS International. Historically, TBS Canada has depended on TBS

US—as well as the UK Parent—for the management and execution of its inventory orders. The UK Parent would ship products designated for TBS Canada to TBS US and TBS US would hold the inventory at a distribution centre located in the United States that it owned and operated (the “**US Distribution Centre**”). TBS US would then arrange for transport from the US Distribution Centre to TBS Canada’s stores. The UK Parent retains title of the inventory located at the US Distribution Centre until it receives payment from TBS Canada.⁵ Consequently, the commencement of the UK Administration and the Chapter 7 Proceedings, and cessation of operations by TBS US has posed challenges for the Company in its efforts to purchase inventory.

47. As more particularly described below, TBS Canada and the Proposal Trustee have worked closely with the Chapter 7 Trustee to facilitate the Company’s inventory replenishment efforts since the commencement of the Chapter 7 Proceedings.

E. Inventory Replenishment Efforts

48. As at the date of my Second Affidavit, TBS Canada was in need of additional inventory, primarily due to: (a) recent sales exceeding projections across the Company’s store network, and (b) the fact that TBS Canada stopped receiving normal course inventory shipments following the commencement of the UK Administration on February

⁵ The Company received all of its inventory from TBS International pursuant to a Selective Master Distribution & Franchise Agreement and the general terms and conditions that supplement such agreement, which are attached to my Second Affidavit as Exhibits “G” and “H” respectively. These agreements, which remain in place, reflect that the UK Parent holds title to the inventory until it receives payment for same.

13, 2024, notwithstanding that approximately US\$85 million (retail value) of inventory was being stored at the US Distribution Centre at such time.

49. Over the past several weeks, TBS Canada, the Proposal Trustee, the Chapter 7 Trustee and the UK Administrators engaged in numerous discussions to settle arrangements for the Company to meet its immediate inventory needs, while concurrently pursuing longer-term solutions for TBS Canada.

50. To fulfill its near-term inventory needs, TBS Canada, with the assistance of the Proposal Trustee, coordinated the delivery of inventory from three sources:

- (a) approximately \$1.3 million (retail value) of inventory that was en-route to TBS Canada but was stopped at the border and turned back to the US Distribution Centre prior to the Filing Date (“**Returned Inventory**”). TBS Canada paid for the Returned Inventory in full prior to the Filing Date. In order to facilitate the delivery of the Returned Inventory, TBS Canada was required to access the US Distribution Centre at its own cost. As part of these efforts, TBS Canada has, through a US-based staffing agency, engaged 13 former TBS US employees as independent contractors to work in the US Distribution Centre (the “**US DC Contractors**”).⁶ The Returned

⁶ The 13 US DC Contractors are in addition to the seven former US employees that the Company engaged as independent contractors (collectively, the “**Contractors**”) and I reported on in my

Inventory was received by the Company on April 12, 2024 and allocated to the Company's stores shortly thereafter;

- (b) approximately \$3.5 million (retail value) of inventory that was in-transit to the United States (the "**In-Transit Inventory**") at the Filing Date that was owned by the UK Parent and would have been delivered to the US Distribution Centre in the ordinary course but was held by a brokerage company who was owed unpaid freight and storage costs. TBS Canada entered into a Sale and Lien Release Agreement pursuant to which it purchased this inventory from the UK Parent and agreed to pay the outstanding freight and storage costs in exchange for receiving a credit towards the purchase of inventory from the UK Parent. The In-Transit Inventory was received by the Company on April 24, 2024 and allocated to the Going Concern Stores; and
- (c) approximately \$6.7 million (retail value) of inventory owned by the UK Parent and located at the US Distribution Centre (the "**Inventory Replenishment Order**"). TBS Canada made arrangements: (i) to purchase this inventory from the UK Parent at a price consistent with past practice;

Second Affidavit. As described in my Second Affidavit, the Contractors provided shared services to TBS Canada and their ongoing employment was critical to the Company's continued operations.

and (ii) with the Chapter 7 Trustee, to allow TBS Canada and the US DC Contractors to access the US Distribution Centre to “pick and pack” the merchandise and arrange for it to be shipped to the Going Concern Stores.

51. The Returned Inventory, In-Transit Inventory and Inventory Replenishment Order, taken together, are projected to provide TBS Canada with sufficient merchandise levels into August 2024, at which point additional replenishment would be required. TBS Canada and the UK Parent, with the assistance of the Proposal Trustee, are currently discussing additional inventory replenishment orders, which would be sourced from the inventory currently located at the US Distribution Centre.

52. To facilitate the Inventory Replenishment Order (and any future orders), TBS Canada and the Chapter 7 Trustee entered into a real estate license arrangement that would allow TBS Canada to access the inventory stored in the US Distribution Centre (the “**License Arrangement**”).

53. The License Arrangement is attached to my Affidavit as **Exhibit “J”**. The key terms and conditions of the License Arrangement are as follows:

- (a) TBS Canada, and its employees, agents, contractors and temporary workers are granted a license to use and occupy a portion of the US Distribution Centre for the purpose of picking, packing and arranging for the delivery of inventory, including the Inventory Replenishment Order;

- (b) The license period commenced as of April 1, 2024 and expires on June 30, 2024 (the “**License Period**”), subject to the ability of TBS Canada to extend the License Period. The License Period commenced April 1, 2024 to reflect that TBS Canada was required to access the US Distribution Centre in April to coordinate the delivery of the Returned Inventory;
- (c) The Chapter 7 Trustee will provide basic utilities and pay for all operating costs, including water, gas, electricity, telephone or other utilities and taxes, repair and maintenance costs;
- (d) TBS Canada shall pay the US Trustee a license fee in the amount of US\$100,000 per month (the “**License Fee**”) through the license period plus a US\$50,000 security deposit. The License Fee is calculated to compensate the Chapter 7 Trustee for the operating costs associated with the US Distribution Centre that would have historically been charged through the group’s intercompany accounts. TBS Canada is projected to have sufficient liquidity to pay the License Fee for the term of the License Period. TBS Canada also negotiated an arrangement with the UK Parent that a portion of the License Fee will be set-off against the purchase price of the Inventory Replenishment Order;
- (e) The Chapter 7 Trustee has provided TBS Canada with an offsetting credit of US\$79,000. This credit reflects amounts paid by TBS Canada for the

benefit of the Chapter 7 Trustee, including an allocation of time for the US Contractors engaged by TBS Canada, and certain expenses required to operate the US Distribution Centre. This credit was applied to the License Fee due and owing for the month of April;

- (f) The License Arrangement remains subject to the approval of the US Bankruptcy Court. I understand that that a hearing is scheduled for June 13, 2024 in the Chapter 7 Proceedings to seek approval of the License Arrangement. The Chapter 7 Trustee has allowed the parties to perform their respective obligations under the License Arrangement pending subsequent approval by the US Bankruptcy Court.

54. Shipping of the Inventory Replenishment Order to Canada is underway. It is anticipated that all of the Inventory Replenishment Order will be delivered to the Going Concern Stores by early June.

F. Canadian Employee Matters

(i) Incentive Bonus

55. On April 15, 2024, this Court approved the KERP, which was designed to retain and incentivize five individuals who are either Canadian employees or Contractors⁷ and

⁷ As noted in footnote 6 above, TBS Canada engaged seven Contractors who provided shared services to the Company and were critical to its ongoing operations.

were identified by TBS Canada as crucial to the Company's restructuring efforts. This Court also approved the KERP Charge over TBS Canada's property in the amount of \$470,000 to secure the amounts payable under the KERP.

56. Since April 15, 2024, TBS Canada has identified an additional employee who is critical to TBS Canada's operations and restructuring efforts that it wishes to incentivize to continue their employment with TBS Canada. The employee will receive an incentive bonus, calculated as a percentage of their salary that is payable on the closing of a going concern transaction in respect of the Company's business or the implementation date of any proposal filed by TBS Canada.

57. I believe that absent the incentive bonus, this key employee may seek employment elsewhere. TBS Canada is not seeking to secure the incentive bonus with the KERP Charge that was previously approved by this Court.

(ii) Representation Motion

58. On April 12, 2024, TBS Canada was served with a motion (the "**Representation Motion**") brought by Stephanie Hood, a Former Employee, seeking an order, among other things:

- (a) appointing Koskie Minsky LLP ("**Koskie Minsky**") as representative counsel to the Former Employees (such counsel, "**Representative Counsel**"); and

- (b) that the costs incurred by Representative Counsel before and after the date of the order shall be paid by TBS Canada.

59. In the April 15 Endorsement attached as **Exhibit “D”**, Justice Osborne scheduled a scheduling case conference for April 24, 2024 for the scheduling of the Representation Motion.

60. On April 23, 2024, Koskie Minsky served a Supplementary Motion Record, introducing additional evidence in support of the Representation Motion.

61. The scheduling case conference was held on April 24, 2024 and the Representation Motion has been scheduled to be heard on July 4, 2024. A copy of the endorsement from the April 24, 2024 case conference (the “**April 24 Endorsement**”) is attached to my Affidavit as **Exhibit “K”**. The April 24 Endorsement reflects an undertaking by TBS Canada to continue to keep all stakeholders, including the Former Employees, aware of significant events or matters.

62. In compliance with the April 24 Endorsement, I understand that our counsel Davies Ward Phillips & Vineberg LLP (“**Davies**”) advised Koskie Minsky on May 17, 2024, shortly after TBS Canada became aware itself, that the UK Administrators had determined not to proceed with the CVA process.

63. Following the case conference, I understand that counsel for TBS Canada on May 2, 2024 proposed the following timetable for the delivery of materials in connection

with the Representation Motion. As of the date hereof, counsel for TBS Canada have not received any objection to this schedule from Koskie Minsky.

Event	Date
Moving Party Motion Record served	April 12, 2024
Moving Party Supplemental Motion Record	April 23, 2024
Scheduling Case Conference	April 24, 2024
Responding/ Company Motion Record due	May 10, 2024
Proposal Trustee's Report due	May 15, 2024
Reply Motion Record due (if any)	May 22, 2024
Company Stay Extension Motion	May 30 or 31, 2024
Cross Examinations on filed affidavits	May 27-31, 2024
Proposal Trustee's Supplemental Report due	June 5, 2024
Moving Party Factum due	June 14, 2024
Responding Factum due	June 24, 2024
Reply Factum due (if any)	June 28, 2024
Motion Hearing	July 4, 2024

64. TBS Canada has determined to oppose the Representation Motion. Accordingly, TBS Canada served its responding motion record on the service list on May 10, 2024 in accordance with the above timetable. I swore an Affidavit on May 10, 2024 (the "**Third Affidavit**") in support of the Company's position, which is attached to this Affidavit, without the exhibits thereto, as **Exhibit "L"**.

65. The rationale behind TBS Canada's decision to oppose the Representation Motion is set out in detail in my Third Affidavit but includes the view of the Company that appointment of Representative Counsel would duplicate efforts, increase costs and undermine efficiency.

66. On May 15, 2024, the Proposal Trustee served the Third Report per the above timetable. In the Third Report, the Proposal Trustee concluded that based on the information available, it is of the view that the appointment of Representative Counsel is currently unnecessary. The Third Report is attached to my Affidavit as **Exhibit "M"**.

67. On May 22, 2024, Koskie Minsky served the Company with a reply motion record.

(i) ***Wage Earner Protection Program Act***

68. On May 3, 2024, TBS Canada, through its counsel Davies, engaged with Service Canada and the Department of Justice to explore the possibility of allowing the Former Employees to access the *Wage Earner Protection Program Act* ("**WEPPA**"). One of the options that the Company explored was the appointment of the Proposal Trustee to act as the receiver for specific assets belonging to TBS Canada.

69. On May 22, 2024, Davies received an email from Ayesha Laldin, a lawyer at the Department of Justice. In the email, Ms. Laldin advised that "ESDC" [Employment and Social Development Canada] takes the position that receiverships created for the purpose of triggering the WEPPA are inconsistent with both the legislative intent of the BIA and

WEPPA and that would appear to be the case with the proposed receivership in respect of TBS Canada.

70. The email correspondence between Davies, Service Canada and the Department of Justice between May 3, 2024 and May 22, 2024 is attached to my Affidavit as **Exhibit “N”**.

G. TBS Canada’s Efforts to Pursue a Going Concern Solution

71. As discussed in my Prior Affidavits, TBS Canada has engaged in numerous discussions with the UK Parent, Aurelius, the UK Administrators and interested parties with respect to settling the terms of a proposal and going-concern solution for the business in Canada.

72. Given that TBS International owns the right to the “The Body Shop” brand and all of the Company’s inventory is sourced from the UK Parent, TBS Canada requires the UK Parent and the UK Administrators to be amenable to the structure of any such transaction. Further, the ability of TBS Canada to emerge from these restructuring proceedings and continue as a going concern is directly contingent on the outcome of the UK Administration.

73. The Company has continued to advance discussions with the UK Parent and the UK Administrators in connection with implementing a transaction that would allow TBS Canada to implement a proposal and continue as a going concern. In this regard, TBS

Canada recently provided these parties with a confidential term sheet that would provide for a going concern solution for the Canadian business.

74. In light of the recent decision by the UK Administrators to abandon the CVA process and pursue a sale process for the UK Parent, TBS Canada is re-evaluating its options. TBS Canada, the Proposal Trustee and the UK Administrators are hopeful that they can continue to advance the term sheet in connection with the sale process currently underway for the UK Parent's business and assets.

75. The Company remains optimistic that a going concern solution may be possible for the Canadian business, however as described above, such a solution will be dependent on the outcome of the UK Administration.

H. Relief Sought:

(i) Extension of Time to File a Proposal

76. TBS Canada is seeking an extension of the time to file a proposal from its current expiration date of May 31, 2024 to July 12, 2024 (the "**Extension**").

77. The Extension will provide TBS Canada with the time to continue to engage with the UK Parent, the UK Administrator, Aurelius, and any potential buyers, all with the goal of facilitating a going concern solution for the business. The Extension will also allow for the implementation of the sale process in respect of the UK Parent. The Company will continue to keep its stakeholders apprised of significant events or matters affecting TBS

Canada and this NOI proceeding. TBS Canada has, and will continue to, work in good faith and with due diligence in the period prior to and during this NOI proceeding.

78. The Company has prepared an updated cash flow forecast with the assistance of the Proposal Trustee, which sets out the projected cash flows for the 13-week period ending August 16, 2024 (the “**Updated Cash Flow**”). I understand that the Proposal Trustee will file the Updated Cash Flow with the Court in connection with this motion. The Updated Cash Flow shows that TBS Canada has sufficient liquidity to operate to the end of the requested Extension.

Conclusion

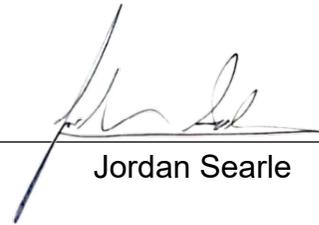
79. For the reasons expressed herein, I am of the view that TBS Canada is acting in good faith and with due diligence in seeking the relief sought on this motion and that if granted, the relief will not prejudice any of the Company's creditors.

SWORN remotely by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on the 23rd day of May, 2024 in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026



Jordan Searle

This is Exhibit "A" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Estate / Court File No.: 31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF THE BODY SHOP CANADA
LIMITED, IN THE CITY OF TORONTO, IN THE
PROVINCE OF ONTARIO**

**AFFIDAVIT OF JORDAN SEARLE
Sworn March 1, 2024**

I, Jordan Searle, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am the General Manager, North America and the sole director of The Body Shop Canada Limited ("**TBS Canada**" or the "**Company**"). I have been the General Manager since February 10, 2023. I am also an officer and director of the Company's U.S. affiliate, Buth-Na-Bodhaige Inc. ("**TBS US**"). I have been actively engaged in the discussions and negotiations surrounding the financial circumstances of TBS Canada and TBS US. As such I have personal knowledge of the matters referred to in this Affidavit. Where I have relied upon other sources of information, I have stated the source of that information and verily believe such information to be true.

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2. On March 1, 2024 (the "**Filing Date**"), TBS Canada filed a notice of intention to make a proposal (the "**NOI**") under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"). Alvarez & Marsal Canada Inc. was appointed to act as the proposal trustee (the "**Proposal Trustee**"). A Certificate of Filing for the NOI is attached as **Exhibit "A"** to my Affidavit.

3. This Affidavit is made in support of the motion brought by the Company for an Order:

- (a) expanding the stay of proceedings by ordering the continuation of services and other protections to the Company;
- (b) granting an administration charge to secure the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company;
- (c) approving an indemnity and priority charge to indemnify the director and officers of TBS Canada for any obligations and liabilities they may incur following the Filing Date in such capacities;
- (d) directing all persons who have in their possession or power, any property of TBS Canada, or any book, document or paper of any kind relating to

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TBS Canada, to produce the book, document or paper for the Company, or to deliver to the Company any property of TBS Canada in their possession promptly upon request of the Company or the Proposal Trustee;

- (e) extending the time for the Company to file a proposal under the BIA or seek a further extension to April 16, 2024 (being 19 days from its current expiry of March 28, 2024); and
- (f) certain additional relief.

A. Background and Overview

4. TBS Canada is a federally incorporated corporation, specializing in the sale of skincare, haircare, bath and body products with stores across Canada. As more particularly set out below, the Company and TBS US are wholly owned subsidiaries of The Body Shop International Limited (“**TBS International**” or the “**UK Parent**”).

5. On February 13, 2024, the UK Parent filed for administration (the “**UK Administration**”) in the United Kingdom, less than three months after it was acquired by the private equity firm Aurelius Group. I understand that administration is the dominant legal procedure for restructuring insolvent companies in the UK. Historically,

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the UK Parent has provided several accounting and cash management functions for the Company whereby all of TBS Canada's cash collections were swept from the Company by the UK Parent and then the UK Parent would remit payment on behalf of the Company for its trade payables, including its rent and payroll.

6. In the weeks leading up to the UK Administration, the UK Parent swept cash from TBS Canada's bank accounts but failed to remit payment for amounts owing to the Company's vendors/suppliers and landlords. Payroll and HST obligations, however, have continued to be paid in the ordinary course. This has caused an immediate liquidity crisis for TBS Canada because all funding for the Company and its Canadian operations were cut off with no advance notice. TBS Canada has significant overdue payables that it cannot now satisfy. But for the improper withholding of the Company's funds, TBS Canada would be able to pay all its obligations in full. The Company contacted the UK Administrator (as defined below), members of the Aurelius Group and the UK Parent requesting that they either return the funds that were swept from the Company's accounts or advance funds, but they refused to do so.

7. In the circumstances, the Company urgently needs the benefit of a stay of proceedings to provide it with the breathing room required to organize its financial affairs and develop a plan for the continuation, or orderly wind-down, of the Canadian

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business. As result, TBS Canada took the prudent step of commencing these NOI proceedings.

8. The relief sought on this motion will enable the Company to maintain its business operations and preserve the value of its assets by preventing parties from discontinuing or ceasing to perform any contract or other arrangement in favour of TBS Canada while it explores and advances its restructuring or liquidation options. The charges requested are essential to secure the services of the professionals and director and officers who are required to facilitate a successful restructuring or liquidation of TBS Canada.

B. The Business

(i) The Company

9. TBS Canada is a retailer focused on cosmetics, perfume and skin care products with 105 stores across Canada (other than Quebec and the Territories), an e-commerce platform and a wholesale business. The Company's merchandise is marketed under the "The Body Shop" brand, which enjoys a global reputation for offering high-quality, natural and ethically sourced beauty products.

10. TBS Canada is a federally incorporated corporation that is extra-provincially registered to operate throughout Canada (other than Quebec and the Territories). The Company's registered head office is located at 1 Yorkdale Road, Suite 510, Toronto,

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Ontario. The majority of the Company's stores are located in Ontario. A breakdown of the Company's stores by Province is set out below:

Stores by Province	
Ontario	49
British Columbia	18
Alberta	17
Nova Scotia	5
Manitoba	5
Saskatchewan	5
New Brunswick	3
Newfoundland	2
Prince Edward Island	1
TOTAL	105

11. As of March 1, 2024, TBS Canada employed 784 individuals across Canada.¹ The Company is not party to a collective agreement, nor are any of its employees represented by a union or other employee association.

12. The Company and TBS US are wholly-owned subsidiaries of TBS International. TBS International is owned by Natura (Brasil) International B.V. ("**Natura**"), which is owned by Aurelius IV UK Acquico Eight Ltd. ("**Aurelius Purchaser**"). As more particularly described in paragraph 17 below, the shares of Natura were acquired by Aurelius Purchaser on or about December 2023. TBS International and all of its foreign

¹ As described in paragraph 43 below, the Company intends to make certain headcount reductions as part of its restructuring efforts.

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subsidiaries are ultimately owned by Aurelius Investment Lux One SARL (together with Aurelius Purchaser and Aurelius Seven (defined below) “**Aurelius**”). A copy of The Body Shop’s global organizational chart is attached to my Affidavit as **Exhibit “B”**.

(ii) Intercompany Arrangements

13. The Company has the right to market and sell “The Body Shop” branded products pursuant to a Selective Master Distribution & Franchise Agreement between TBS Canada and TBS International (the “**Franchise Agreement**”). Under the Franchise Agreement, the Company receives all of its inventory from the UK Parent for sale exclusively in its designated retail stores. However, as a franchisee under the Franchise Agreement, TBS Canada does not enjoy exclusivity or ownership over “The Body Shop” brand or related intellectual property. A copy of the Franchise Agreement is attached to my Affidavit as **Exhibit “C”**

14. Historically, TBS Canada has relied heavily on its working relationship with the UK Parent and TBS US, for inventory, distribution and logistics services, among other things. The UK Parent ships products designated for TBS Canada to TBS US, who then holds them at its distribution centre located in the United States (the “**US Distribution Centre**”). At the US Distribution Centre, TBS US either mixes inventory or virtually designates items for TBS Canada. TBS US transports the inventory to the US-Canadian border, where it gets picked up by third-party couriers on TBS Canada’s behalf.

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15. Pursuant to the Franchise Agreement and the Company's working arrangement with the UK Parent, title to inventory only passes from TBS International to TBS Canada once it leaves the US Distribution Centre. As long as inventory is housed at the US Distribution Centre, TBS International holds title. I understand that approximately US \$85 million (book value) in inventory currently resides at the US Distribution Centre.

16. As more particularly described below, the UK Parent has provided several accounting and cash management functions for TBS US and the Company whereby all of TBS US and TBS Canada's cash collections were swept by the UK Parent and then the UK Parent would remit payment on behalf of TBS US or the Company, as applicable, for its trade payables. Like the Company, the UK Parent also swept all of TBS US' cash immediately prior to the UK Administration, leaving TBS US in a severe liquidity crisis. As a result, on March 1, 2024, TBS US terminated substantially all of their employees and closed their operations, including the US Distribution Centre.

C. The Company's Creditors

(i) Aurelius Transaction and Security

17. On or about December 2023, the Aurelius Purchaser acquired all of the shares of Natura (and indirectly, TBS International) (the "**Acquisition**"). In connection with the Acquisition, Aurelius IV UK Acquico Seven Limited ("**Aurelius Seven**"), the immediate parent company of the Aurelius Purchaser, entered into a Loan Agreement with TBS

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International, pursuant to which GBP £2,720,741.98 was made available to TBS International (the "**Loan Agreement**"). Attached as **Exhibit "D"** to my Affidavit is a copy of the Loan Agreement.

18. The Loan Agreement provides in section 4.2 that the purpose of the loan is to "assist the [Aurelius] Purchaser with funding the Acquisition. For this purpose, the Borrower [the UK Parent] may on-lend the proceeds of any [L]oan to the [Aurelius] Purchaser". I am not aware of any of the loan proceeds being made available to TBS Canada, nor did the Company require any of these funds.

19. The obligations of the UK Parent under the Loan Agreement are guaranteed by TBS Canada pursuant to a Guarantee and Indemnity Agreement (the "**Guarantee**"). The Guarantee is attached to my Affidavit as **Exhibit "E"**. The obligations of the Company under the Guarantee are enforceable after Aurelius Seven issues a demand to TBS Canada. To date, TBS Canada has not received any such demand and is unaware of the current status of the loan facility.

20. To secure its obligations under the Guarantee, TBS Canada executed a General Security Agreement ("**GSA**") and a deed of hypothec (the "**Hypothec**") granting Aurelius Seven a security interest over all of its present and after-acquired property (collectively, the "**Aurelius Security**"). Attached to my Affidavit as **Exhibit "F"** is a copy of the

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Hypothec. To the best of my knowledge, TBS Canada was never provided with an executed copy of the GSA.

21. Aurelius Seven has registered notice of its security interest pursuant to the personal property regimes in each Canadian provincial and territorial jurisdiction against TBS Canada. Attached as **Exhibit "G"** are the search results (the "**Searches**") conducted against the Company under the personal property security regimes in each province and territory in Canada, which shows the personal property security registrations in favour of Aurelius.

(ii) Other Secured Creditors

22. The Searches also showed registrations in favour of Enterprise Fleet Management Canada, Inc. in the Provinces of British Columbia, Alberta, Nova Scotia and Ontario (the "**Enterprise Security**"), and registrations in favour of HSBC Bank Canada and HongKong Bank of Canada in Saskatchewan (collectively, the "**HSBC Registrations**"). The Enterprise Security relates to corporate vehicles that are leased by the Company for certain of its employees. I am not aware of what the HSBC Registrations relate to and I do not believe any amounts are owing to HSBC in connection with the HSBC Registrations.

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(iii) Unsecured Creditors

23. The Company also has various unsecured creditors, including (a) trade creditors, to which it owes approximately \$2.5 million; and (b) landlords, to which it owes \$900,000, primarily representing February rent. TBS Canada is up to date on all of its payroll and source deduction obligations as well as HST obligations.

D. The Financial Situation of TBS Canada

24. Historically, TBS International has provided several functions to TBS Canada and TBS US, including human resources, accounts payables and cash management and information technology. In the case of the Company, TBS International achieved this through a cash pooling arrangement between the entities, under which all of TBS Canada's funds were deposited into seven separate accounts at HSBC Bank Canada which are in TBS Canada's name (collectively, the "**HSBC Accounts**") and swept by TBS International (the "**Cash Pooling Arrangement**"). In exchange, TBS International would then remit payment for TBS Canada's payables upon direction by the Company. A similar cash pooling arrangement is in place in respect of TBS US. I am not aware of any documentation executed by TBS Canada or TBS US and TBS International in respect of the Cash Pooling Arrangement.

25. Pursuant to the Cash Pooling Arrangement, TBS International had full control over all seven of the HSBC Accounts even though the accounts are in the name of TBS

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Canada. While TBS Canada could historically review the HSBC Accounts and their balances, only TBS International could process payments. To pay its vendors, TBS Canada must issue directions to TBS International, who then, in turn, issues the payments. This historic arrangement has been in place between TSB International and the Company since at least 2007.

26. The Cash Pooling Arrangement has allowed TBS Canada to operate with little to no institutional debt, helping it to weather a particularly difficult period for the retail industry: the COVID-19 pandemic. Emerging from the pandemic, TBS Canada's performance has shown significant improvement and was on track to being profitable by the end of 2023.

27. TBS Canada's finances deteriorated sharply beginning in December 2023, when TBS International, while continuing to sweep the HSBC Accounts, failed to remit payments in full to TBS Canada's vendors. Initially, the UK Parent explained that it had lost access to its financing and was slowing down payments to creditors to conserve cash in the interim.

28. Nevertheless, this process continued throughout the holiday period and into January 2024. As with most retailers, the holiday period accounts for the most significant percentage of TBS Canada's total annual sales. This holiday period was no

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exception and TBS Canada generated approximately \$12M (EBIT) in profit in November 2023, December 2023 and January 2024 combined.

29. Until February 12, 2024, the day before the UK Administration was commenced, the UK Parent continued to sweep the HSBC Accounts without remitting payments in full to TBS Canada's creditors and despite numerous formal payment requests being submitted by the Company. This created a backlog of overdue debt that has now ballooned to approximately \$3.3 million. This growing debt is due and owing to a wide variety of vendors, including landlords, utilities, logistics providers, insurers and marketing agencies. TBS International swept \$42.9 million from the HSBC Accounts between November 1, 2023 and February 13, 2024, while only remitting \$21.8 million on account of the Company's payables and payroll during this period.

30. TBS International also swept TBS US' bank accounts during this time and failed to payments in full to TBS US' creditors, leaving TBS US with significant overdue payables in excess of US\$3.3 million and in dire financial circumstances.

31. On February 13, 2024, TBS International unexpectedly filed for UK Administration and Tony Wright, Geoff Rowley and Alastair Massey of FRP Advisory were appointed as joint administrators of the UK Parent (collectively, the "**UK Administrator**"). This news came without warning and was quite a shock to me and my

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team, not least because of our historic reliance on TBS International for a variety of integral corporate services for both TBS Canada and TBS US. However, TBS International assured the Company and TBS US that only the U.K. market would be affected and that all other markets could continue to operate in the ordinary course. A screenshot of the TBS International intranet announcement is attached to this Affidavit as **Exhibit “H”**.

32. Despite reassurances, later that day, TBS International informed the Company, among others, that they would no longer be complying with the well established and historical Cash Pooling Arrangement and advised the Company, and others, that it must now use only post February 13, 2024 revenue to finance all their market activities. This left the Company without access to TBS Canada’s pre February 13, 2024 cash of approximately \$20 million, as well as depleted bank accounts, significant outstanding payables and severed shared services. A copy of the email correspondence from TBS International to TBS Canada and TBS US, among others, is attached to this Affidavit as **Exhibit “I”**.

E. The NOI Proceedings

(i) Events Leading up to the NOI Filing

33. The UK Administration crystallized the Company’s liquidity crisis. With little cash and growing debts, TBS Canada urgently sought to keep the Company properly funded.

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On February 13, 2024, I emailed Katrina Wright, Global People Director of TBS International outlining the Company's growing liquidity issues. Above all else, the purpose of this email was to advise of a plan for proposed headcount reductions, solicit funding and ensure the Company's survival. The next day, I sent a follow-up email advising of the Company's intent to pursue a reorganization plan with a proposed execution date of February 20, 2024. I have attached the email correspondence to Katrina Wright to this affidavit as **Exhibits "J" and "K"**, respectively.

34. On February 15, 2024, I received a reply from Katrina Wright advising that having discussed with Aurelius finance, "they have said this will be under review, but we can not take the decision at this time to approve the payments. Therefore we will not be able to go ahead next week with your planned exits". I then wrote to Aurelius and the UK Administrator to explain the severity of TBS Canada's liquidity situation and to impress on them the importance of a prompt response. To date, I have not received a response. Copies of this correspondence are attached to this affidavit as **Exhibits "L" and "M"**.

35. On February 20, 2024, I met with the UK Administrator and its legal team. In that meeting, the UK Administrator made it clear that there would be no financing for, or return of, pre February 13, 2024 funds to TBS Canada or TBS US. In response, I sent an email to Aurelius, the UK Administrator and TBS International to once again impress on them the urgency and explain the severity of the consequences for TBS Canada and

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TBS US should they not receive the funding they required. In this email, I urged that if the Company did not receive funding by February 26, 2024, it would have no choice but to commence insolvency proceedings in Canada. Nevertheless, the next day, the UK Administrator unequivocally informed us that TBS International would not be providing any financial support to the Company or TBS US or returning funds swept from TBS Canada or TBS US. I have attached my email correspondence requesting funding to this affidavit as **Exhibit "N"**.

36. I am advised that our counsel, Davies Ward Phillips & Vineberg LLP also spoke to Jones Day LLP, U.S. counsel for Aurelius and the UK Administrator, and understand that that they advised that neither TBS Canada nor TBS US would receive funding. I am further advised that we are not aware of any Canadian insolvency counsel or advisors for Aurelius or the UK Administrator.

37. On February 26, 2024, the Company did not receive the requested funding or return of TBS Canada's funds by the UK Parent, the UK Administrator or Aurelius. On the same day, TBS Canada engaged Alvarez & Marsal Canada Inc., an affiliate of the Proposal Trustee, to assist the Company in its reorganization efforts.

38. As described above, the actions of the UK Parent have caused TBS US to cease all operations in the United States, including retail stores and the US Distribution

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Centre. On March 1, 2024, TBS US closed all of its stores and terminated substantially all of its employees. Due to the integrated nature of TBS Canada and TBS US, the closure of the US business will make it exceedingly difficult to access existing inventory stored in the US Distribution Centre or to process any future inventory requests. As a consequence, TBS Canada has lost access to its e-commerce platform and is no longer accepting or fulfilling orders through their website. The Company has also lost the ability to ship to its wholesale customers, being Shoppers Drug Mart and Amazon.ca because it can no longer fulfil such orders.

39. Faced with mounting debt, no prospect of assistance from the UK Parent or Aurelius or return of its funds, and an inability to fulfill e-commerce orders, TBS Canada determined that it was in the best interests of the Company to commence these NOI proceedings. The NOI proceedings provide the Company with the breathing room that it desperately requires so that it can establish and begin executing a clear plan for the benefit of its many stakeholders.

40. TBS International, Aurelius and the UK Administrator will receive notice of the Motion.

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(ii) Steps Taken Since filing the NOI

41. The Company has identified the following 33 underperforming stores (the “Closing Stores”) that it will immediately start to liquidate and ultimately close by the end of March in an effort to improve its liquidity position:

Bayview Village (Toronto, ON)	Lawson Heights (Saskatoon, SK)	Rideau Centre (Ottawa, ON)
Carlingwood Mall (Ottawa, ON)	Lloyd Mall (Lloydminster, AB)	Semiahmoo (White Rock, BC)
Catarauqui Town Centre (Kingston, ON)	Londonderry Mall (Edmonton, AB)	Shoppers Mall (Brandon, MB)
Champlain Place (Dieppe, NB)	Lynden Park Mall (Brantford, ON)	Stone Road Mall (Guelph, ON)
Corner Brook Plaza (Corner Brook, NFLD)	Mayflower Mall (Sydney, NS)	Sunridge Mall (Calgary, AB)
Cornwall Centre (Regina, SK)	McAllister Place (Saint John, NB)	The Centre (Saskatoon, SK)
Dufferin Mall (Toronto, ON)	Medicine Hat Mall (Medicine Hat, AB)	The Shops at Don Mills (Toronto, ON)
Fairview Park Mall (Kitchener, ON)	Midtown Plaza (Saskatoon, SK)	Timmins Square (Timmins, ON)
Hillside Shopping Centre (Victoria, BC)	Park Place (Lethbridge, AB)	Toronto Pearson Term. 1 (Toronto, ON)
Lambton Mall (Sarnia, ON)	Place d'Orleans (Orleans, ON)	Truro Mall (Truro, NS)
Lansdowne Place (Peterborough, ON)	Queen Street East (Toronto, ON)	Village Green (Vernon, BC)

42. On March 1, 2024, TBS Canada sent notices of disclaimers for the leases to the landlords for the Closing Stores. Unless successfully disputed in accordance with the BIA, the disclaimers of the applicable leases for the Closing Stores will be effective as of March 31, 2024.

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43. The Company has made certain headcount reductions and terminated approximately 20 of its head-office employees and two contractors effective March 1, 2024. The Company will also be terminating approximately 200 employees who are employed at the Closing Stores by March 31, 2024.

44. The Company historically offered gift cards to be redeemed in-store or online and offered a loyalty club program under which members accumulate points with purchases to be redeemed in-store or online. Due to the current financial position of the business, TBS Canada cannot continue honouring gift cards or points accumulated under the loyalty program during these NOI proceedings. The Company has also ceased providing refunds or exchanges for purchased products.

F. Relief Sought on this Motion

(i) Expansion of the Stay of Proceedings

45. TBS Canada is seeking the Court's approval to provide enhanced stay protections, which require suppliers and service providers to continue to provide goods and services to the Company during these NOI proceedings. The expanded stay provisions will not require any person to extend credit to the Company or prohibit them from requiring immediate payment for goods or services provided after the Filing Date. In this way, the relief that TBS Canada seeks aims to preserve the value of its business in a fair, measured manner.

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46. The expanded stay is necessary and appropriate in the circumstances so that TBS Canada may continue to have the breathing room necessary to consider its restructuring options without disruption and establish a clear plan for the benefit of its stakeholders. Additionally, it is critical that the Company continues to generate the revenue needed to fund the NOI proceedings and generate a viable proposal for its creditors.

47. The proposed expanded stay would also prohibit HSBC Bank Canada, or any other person, from paying, transferring or disbursing any of the funds in the HSBC Accounts without the prior consent of the Company or the Proposal Trustee.

48. On February 29, 2024, I received verbal confirmation from the treasury group at the UK Parent that TBS Canada will be the administrator on the HSBC Accounts and the UK Parent would continue to move money at the direction of TBS Canada, if needed. Notwithstanding these assurances, I believe the expanded stay in respect of the HSBC Accounts is necessary given the past conduct of the UK Parent and in light of the fact that TBS International has not provided any written evidence that the necessary controls in respect of the HSBC Accounts have been transferred to TBS Canada.

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49. I understand that the Proposal Trustee is supportive of this relief and believes that expanding the scope of the stay of proceedings is essential to the continued operation of the Company and beneficial to its stakeholders.

(ii) The Charges

(a) Administration Charge

50. TBS Canada is seeking a charge on its assets (the "**Administration Charge**") in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company as security for payment of their respective fees and disbursements in each case at their standard rate and charges.

51. The expertise and continued participation of the beneficiaries of the Administration Charge is essential to the success of these proceedings. The Company has determined the quantum of the Administration Charge in consultation with the Proposal Trustee, who agrees that such quantum is commensurate with the fees and disbursements expected to be incurred by the beneficiaries of the Administration Charge.

52. The Administration Charge will be in the amount of \$700,000 and will rank ahead of the D&O Charge (as defined below), the Aurelius Security and HSBC Registrations but behind the Enterprise Security.

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(b) D&O Charge

53. As part of these proceedings, the Company is seeking a charge on its assets in favour of its director and officers in an amount not to exceed \$2,100,000 (the "**D&O Charge**"), which would rank behind the Administration Charge and Enterprise Security but ahead of the Aurelius Security and HSBC Registrations. TBS Canada has worked with the Proposal Trustee to determine the amount of the D&O Charge and I believe it is reasonable in the circumstances. The Proposal Trustee will provide further detail in their Report to be filed in connection with the Motion.

54. TBS International currently has a global directors' and officers' insurance policy through Aon UK Limited (collectively, the "**D&O Policy**"), which covers the UK Parent and its subsidiaries from December 29, 2023, to December 28, 2024. However, despite numerous requests, TBS Canada does not have access to the wording of the D&O Policy, nor has it received any proof that premiums have been paid. Instead, it has received a summary of the D&O Policy and a Client Information Letter from Aon UK Limited. While these documents give some indication that the D&O Policy existed, they say little about its terms or whether it is in good standing. Attached as Exhibits "**O**" and "**P**" are the D&O Policy Summary and Client Information Letter, respectively.

55. In a series of email correspondence beginning on February 5, 2024, TBS Canada sought to gain access to the D&O Policy's terms and proof that premiums have

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been paid up to date. On February 28, 2024, TBS International responded by informing the Company the “paperwork ... does not exist” and could not provide evidence of payment of the premium. Consequently, it is unclear whether the director and officers are sufficiently covered for events arising after the filing of the NOI. I have attached these emails as **Exhibits “Q” and “R”**.

56. Given the Company’s financial circumstances and the lack of comfort regarding the D&O Policy, the officers of the Company and I have indicated that we are not prepared to remain in office without knowing that we will be fully protected from any liability which may arise during our continuance as director and as officers. I believe that the continued involvement of the Company’s core upper management team is integral to the success of these proceedings. Accordingly, TBS Canada requests the D&O Charge against post-filing obligations that the director and officers may become personally liable for (except for misconduct or gross negligence) to the extent that the Company is unable to satisfy its indemnity obligations.

(iii) Compelling Delivery of the Property of the Company

57. TBS Canada is seeking an order compelling any person who has any property, book, document or paper of any kind, of the Company in its possession to deliver such property to the Company promptly upon the request of the Company or the Proposal Trustee.

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58. This relief is necessary because the UK Parent, Aurelius and the UK Administrator are in possession of certain of the Company's accounting and other records in light of the centralized structure and Cash Pooling Arrangement that was historically carried out by TBS International.

59. TBS Canada requires this information in order to continue operating as a going concern. Without this information, the Company cannot disentangle its accounting services from TBS International and will be unable to perform many of the human resource, accounts payable and accounts receivable functions that were previously performed by TBS International.

(iv) Extension of Time to File a Proposal

60. The Company is seeking an extension of the time to file a proposal or seek a further extension from March 28, 2024, which is the current expiration date, to April 16, 2024 (the "**Extension**"). The April 16 date was selected having regard to the upcoming Easter and Passover celebrations. The Extension will provide the Company with the time it needs to pursue its restructuring options and stabilize its operations.

61. The Company has prepared a cash flow forecast with the assistance of the Proposal Trustee, which sets out projected cash flows for the period of March 1, 2024 to May 24, 2024 (the "**Cash Flow Forecast**"). I understand that the Proposal Trustee will

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file the Cash Flow Forecast with the Court in connection with this Motion. The Cash Flow Forecast shows that TBS Canada has sufficient liquidity to operate to the end of the requested Extension. Notably, the Cash Flow Forecast contemplates that rent for premises that have not been disclaimed will be paid weekly. As a result, as part of the order sought in connection with this Motion, the Company is seeking this Court's permission to pay rent on a weekly basis.

62. TBS Canada has and intends to continue to work in good faith and due diligence in the period prior to and during these NOI proceedings. The Company has worked cooperatively with the Proposal Trustee in preparing the Cash Flow Forecast, has provided a list of its creditors and as described above, is working on reducing under performing stores and implementing headcount reductions.

G. Conclusion

63. For the reasons expressed herein, I am of the view that the Company is acting in good faith and with due diligence in seeking the relief sought on this Motion.

SWORN remotely by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on the 1st day of March, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Frank Gillies

Commissioner for taking Affidavits (or as may be)

Jordan Searle

Jordan Searle

Frank Michael Gillies, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 27, 2025.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THE
BODY SHOP CANADA LIMITED, IN THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Estate/Court File No: 31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Toronto

**AFFIDAVIT OF JORDAN SEARLE
SWORN MARCH 1, 2024**

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Lawyers for The Body Shop Canada Limited

This is Exhibit "B" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Estate No.: BK-24-03050418-0031
Court File No.: BK- 31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF THE BODY SHOP CANADA
LIMITED, IN THE CITY OF TORONTO, IN THE PROVINCE
OF ONTARIO

**AFFIDAVIT #2 OF JORDAN SEARLE
Sworn April 8, 2024**

I, Jordan Searle, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am the General Manager, North America and the sole director of The Body Shop Canada Limited ("**TBS Canada**" or the "**Company**"). I have been the General Manager since February 10, 2023. I am also an officer and director of TBS Canada's U.S. affiliate, Buth-Na-Bodhaige Inc. ("**TBS US**"). I have been actively engaged in the discussions and negotiations surrounding the financial circumstances of TBS Canada prior to the commencement of these proceedings. As such I have personal knowledge of the matters referred to in this Affidavit. Where I have relied upon other sources of information, I have stated the source of that information and verily believe such information to be true.

2. On March 1, 2024, TBS Canada filed a notice of intention to make a proposal (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the “**BIA**”). Alvarez & Marsal Canada Inc. was appointed to act as the proposal trustee (the “**Proposal Trustee**”).

3. This Affidavit is sworn in support of the motion brought by TBS Canada for an order:

- (a) approving a key employee retention plan (the “**KERP**”) for certain employees and independent contractors of TBS Canada;
- (b) approving a priority charge against the property of TBS Canada (the “**KERP Charge**”) as security for amounts that may become payable under the KERP, up to the maximum amount of \$470,000;
- (c) granting a sealing order in relation to the KERP;
- (d) extending the time for TBS Canada to file a proposal under the BIA to May 31, 2024; and
- (e) approving the activities and conduct of the Proposal Trustee as set out in its First Report dated March 2, 2024 and second report, filed in connection with this motion (the “**Second Report**”).

4. In addition to the relief being sought in the accompanying motion, the purpose of this Affidavit is to update the Court and the Company's stakeholders on the activities of TBS Canada since the Filing Date.

5. In connection with this NOI proceeding, I swore an affidavit dated March 1, 2024 (the "**Initial Affidavit**"), a copy of which is attached to my Affidavit as **Exhibit "A"**, without the exhibits referred to therein. Where relevant, I have repeated certain portions of the Initial Affidavit in this Affidavit.

A. Background and Overview

6. TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products with 72 stores across Canada.¹ TBS Canada and TBS US are indirect wholly owned subsidiaries of The Body Shop International Limited ("**TBS International**" or the "**UK Parent**"), which is indirectly owned by Aurelius IV UK Acquico Eight Limited ("**Aurelius**").

7. Historically, the UK parent has provided several services for TBS Canada and TBS US, including inventory, human resources, accounts payables, accounts receivable and cash management and information technology. These services have been provided

¹ On the Filing Date, the Company operated 105 stores but as more particularly described below, has closed 33 of its stores as part of its restructuring efforts.

pursuant to a cash management system and Cash Pooling Arrangement (as defined and described below) between the entities, whereby all funds deposited in the bank accounts held by the Company at Royal Bank of Canada (formerly HSBC Bank Canada) (“**RBC**” and such accounts, collectively, the “**RBC Accounts**”) were regularly swept by the UK Parent and used to pay the Company’s payables, among other things.

8. On February 13, 2024, TBS International filed for administration (the “**UK Administration**”) in the United Kingdom and Tony Wright, Geoff Rowley and Alastair Massey of FRP Advisory were appointed as joint administrators of the UK Parent (collectively, the “**UK Administrator**”).

9. In the weeks leading up to the UK Administration, the UK Parent swept cash from the RBC Accounts but failed to remit payment for amounts owing to TBS Canada’s vendors/suppliers and landlords. This created an immediate liquidity crisis for the Company and significant outstanding payables.

10. TBS Canada urgently required a stay of proceedings to give it the breathing room needed to review and advance its restructuring options. As a result, on March 1, 2024 (the “**Filing Date**”), the Company filed the NOI.

11. The UK Parent also swept all of TBS US’s cash immediately prior to the commencement of the UK Administration, similarly leaving TBS US in a severe liquidity

crisis. As a result, on March 1, 2024, TBS US terminated substantially all of their employees and ceased their operations.

12. On March 4, 2024, this Court made an Order (the “**March 4 Order**”), among other things, extending the time for TBS Canada to file a proposal to April 16, 2024 and granting certain other relief that the Company required to allow it to continue its business operations and protect the value of its assets. A copy of the March 4 Order and endorsement are attached to my Affidavit as **Exhibit “B”**.

13. The March 4 Order, among other things:

- (a) authorized TBS Canada to (i) permanently or temporarily cease, downsize or shut down any of its business or operations, (ii) dispose of redundant or non-material assets within a certain specified value, and (iii) refuse to honour any gift cards, existing return policies, refunds or discounts or other similar customer programs or obligations;
- (b) prohibited any person, specifically RBC, from disbursing any funds in the RBC Accounts without the prior consent of TBS Canada or the Proposal Trustee;

- (c) directed all persons who have in their possession or power, any property of TBS Canada, or any book, document or paper of any kind relating to the Company, to produce the book, document or paper for TBS Canada, or to deliver to the Company any property of TBS Canada in their possession;
- (d) authorized TBS Canada to pay rent to its landlords on a weekly basis until April 1, 2024 and on a bi-weekly basis thereafter; and
- (e) granted certain charges over TBS Canada's property, in the following order of priority: (i) in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to TBS Canada in the amount of \$700,000 (the "**Administration Charge**"); (ii) in favour of the directors and officers of TBS Canada in the amount of \$2,100,000 (the "**D&O Charge**"); and (iii) in favour of the Company's landlords under each property lease (the "**Landlords**"), a charge for an aggregate amount, in each case, not exceeding 50% of the monthly rent payable under the lease between TBS Canada and the applicable Landlord (the "**Landlord Charge**" and together with the Administration Charge and the D&O Charge, the "**Charges**").

14. On March 8, 2024, TBS US filed a voluntary petition under chapter 7 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the “**Chapter 7 Proceedings**”). Mr. Kenneth Silverman from Rimon P.C. has been appointed as the trustee for TBS US under the Chapter 7 Proceedings (the “**Chapter 7 Trustee**”). A copy of the notice dated March 12, 2024, setting out, among other things, the notice of appointment of the Chapter 7 Trustee, is attached to my Affidavit as **Exhibit “C”**. The first meeting of creditors in the Chapter 7 Proceedings is scheduled for April 9, 2024.

15. The principal purpose of this NOI proceeding is to enable TBS Canada to devise a viable proposal for the benefit of its stakeholders. The relief sought on this motion will further that objective and not cause any prejudice to TBS Canada’s creditors. As described in this Affidavit, since the Filing Date, TBS Canada has acted in good faith and made diligent efforts to stabilize its operations and pursue a going-concern solution for the continuation of “The Body Shop” business in Canada. If granted, the relief sought on this motion will provide TBS Canada with the time needed, and ensure the retention of the key employees essential to furthering these efforts.

B. Overview of TBS Canada's Activities since the Filing Date

(i) Engagement with Key Stakeholders and other Parties

16. On March 6, 2024, our counsel, Davies Ward Phillips & Vineberg LLP ("**Davies**") served the service list, including all of the Landlords, with the March 4 Order. Any party on the service list that is not represented by counsel or does not have an email address was mailed a letter by Davies serving them with the March 4 Order by directing them to the Proposal Trustee's website. The form of letter sent by Davies to those parties is attached to my Affidavit as **Exhibit "D"**. Five of the mailed letters were returned to sender and Davies identified alternate mailing addresses for the applicable parties and re-sent the letter attached as Exhibit "D" on March 21, 2024.

17. The Company has engaged with the Landlords on various issues relating to payment of rent and store closures. Per the terms of the March 4 Order, the Company is now paying rent on a bi-weekly basis on the first and fifteenth day of each month.

18. TBS Canada also separately provided copies of the March 4 Order to, among others, TBS International, Aurelius, the UK Administrator and the Chapter 7 Trustee, and directed these parties to the case website maintained by the Proposal Trustee for this matter.

19. The UK Administrator has been responsive to the Company and Proposal Trustee's requests for production of documents in respect of the Company and its financial affairs, including by providing certain agreements between the UK Parent and TBS Canada in respect of the cash management system and Cash Pooling Arrangement, which are more particularly described in subsection (v) below.

20. At the request of the Company, the UK Administrator also provided TBS Canada with an executed copy of the general security agreement (the "**GSA**") in favour of Aurelius IV UK Acquico Seven Limited ("**Aurelius Seven**"), which the Company entered into on or about December 2023. As described in my Initial Affidavit, the GSA secures the Company's guarantee of the UK Parent's obligations under a loan agreement with Aurelius Seven and Aurelius Seven registered notice of its security interest against the Company in the personal property regimes across Canada (the "**Aurelius Security**"). In the Initial Affidavit, I advised that, to my knowledge, TBS Canada was never provided with an executed copy of the GSA. A copy of the executed GSA is attached as **Exhibit "E"** to my Affidavit.

21. In addition to Aurelius Seven, I identified two other parties in my Initial Affidavit that had security registrations against the property of TBS Canada: (a) Enterprise Fleet Management Canada, Inc. ("**Enterprise**" and such registrations being, the "**Enterprise Security**"), and (b) RBC (HSBC Bank Canada at such time) and HongKong Bank of

Canada (the “**RBC Registrations**”). The March 4 Order provided that the Administration Charge and the D&O Charge would rank ahead of the registrations in favour of Aurelius Seven and the RBC Registrations but behind the Enterprise Security. The March 4 Order was served on RBC and Enterprise.

22. To date, none of Aurelius, Aurelius Seven, Enterprise, RBC or their counsel, has raised any concerns with the priority of the Charges or asserted any claims against TBS Canada under the Aurelius Security, the Enterprise Security or RBC Registrations.

23. TBS Canada has also requested supporting documentation from RBC in respect of the Cash Pooling Arrangement, which is discussed in subsection (v) below.

(ii) Store Closures and Canadian Employee Matters

24. In my Initial Affidavit, I listed 33 stores identified by TBS Canada as underperforming and which the Company intended to close in an effort to improve its liquidity position (collectively, the “**Closing Stores**”). In connection with such efforts, the leases for each of the Closing Stores were disclaimed effective March 31, 2024, and the Company began liquidating the inventory located at the Closing Stores. The Company

has now liquidated all of the inventory located at the Closing Stores and has terminated 197 employees whose employment related to the Closing Stores.

25. Historically, TBS Canada has divided its operations into seven regions, with each region being managed by a separate regional manager. In an effort to reduce costs and streamline its operations, the Company has reorganized its operational structure and consolidated its operations across five (rather than seven) separate regions and eliminated two regional manager positions.² The elimination of these two roles is in addition to the 20 head-office employees and two contractors that were terminated effective March 1, 2024 and as described in my Initial Affidavit.

26. Overall, TBS Canada has retained the majority of its workforce. Out of a total workforce of more than 780 individuals as of March 1, 2024, the Company has terminated approximately 220 individuals, representing less than one-third of its workforce. Approximately 70 of the terminated employees were salaried (approximately 20 of those being head office employees) and approximately 150 terminated employees were hourly. Most of the terminated individuals did not hold claims for accrued vacation pay or other benefits.

² The Canadian Retail Director of TBS Canada has voluntarily resigned from her position. In her place, the Company is promoting a regional manager and eliminating that regional manager's position. Another regional manager position has been eliminated and the employment of that regional manager has been terminated by TBS Canada.

27. The Company continues to employ approximately 570 employees. At this time, TBS Canada does not have any further headcount reductions planned. TBS Canada has also continued to pay the wages and benefits of its current employees in the ordinary course.

28. I am advised that on March 11, 2024 Mr. Andrew Hatnay from Koskie Minsky LLP had a call with Davies and counsel to the Proposal Trustee to discuss the appointment of Koskie Minsky LLP as representative counsel for employees that have been terminated by TBS Canada in connection with this NOI proceeding (“**Representative Counsel**”).

29. Following that call, on March 14, 2024, Natasha MacParland of Davies sent Andrew Hatnay the letter attached as **Exhibit “F”** (the “**March 14 Letter**”) to my Affidavit. The letter reflects TBS Canada’s position that the appointment of Representative Counsel is not necessary and would not benefit TBS Canada’s restructuring proceedings. Among other reasons, the March 14 Letter sets out the following:

- (a) the appointment of Representative Counsel would create additional costs and complications. The terminated employees already have the benefit of the protection and assistance of the Proposal Trustee, who has extensive

experience in dealing with employee matters in restructurings and has established a website for the creditors to access information and updates on the proceedings and to submit inquiries and concerns. The appointment of Representative Counsel for the terminated employees would introduce another layer of communication and consultation, which could potentially create confusion or conflict among the parties and increase costs;

- (b) TBS Canada has not proposed or implemented any changes to the terms and conditions of employment of its current employees. The terminated employees are not at risk of being prejudiced or disadvantaged by the Company or any relief it is seeking;
- (c) the Company continues to pursue a going-concern solution for its business and there has been no decision to wind-up the Canadian operations. It is premature and unnecessary to appoint Representative Counsel for the terminated employees - the Company has not filed a proposal, no claims process has been established and there is no evidence of any disputes or issues arising from the terminated employees' claims; and

- (d) the Proposal Trustee and certain of TBS Canada's stakeholders do not support the appointment of the Representative Counsel.

(iii) TBS US Employees

30. Due to the highly integrated nature of the operations of TBS Canada, TBS US and TBS International, TBS Canada has historically relied on TBS US (in addition to the UK Parent) and certain of its employees to manage and fulfill its inventory orders and provide other key corporate functions (including IT, human resources and treasury services).

31. As described above, TBS US terminated all of its employees and ceased operations on March 1, 2024. Following these terminations, the Company identified seven former TBS US employees that provided shared services to TBS Canada and whose ongoing employment is critical to the Company's continued operations and restructuring efforts

32. Effective March 18, 2024, in consultation with the Proposal Trustee, TBS Canada entered into independent contractor agreements with the seven former TBS US employees (collectively, the "**Contractors**"). The agreements provide that the Contractors will be paid on an hourly basis, at a rate reflective of the applicable Contractor's salary received prior to the termination of their employment by TBS US.

Certain of the Contractors will also receive retention bonuses. It is anticipated that the aggregate amount of the retention bonuses will not exceed US\$75,000. The retention bonuses for two of the Contractors will be part of the KERP and KERP Charge that TBS Canada is asking this Court to approve.

(iv) Inventory Replenishment Efforts

33. TBS Canada's liquidity position is strong, with sales since the Filing Date exceeding projections across its store network. However, due to the robust sales, the Company's stores are facing the imminent risk of running out of core merchandise in the coming weeks, which would force it to close otherwise profitable store locations. As more particularly described below, efforts are ongoing to avoid a shortfall of inventory in the Company's stores.

34. Pursuant to a Selective Master Distribution & Franchise Agreement between TBS Canada and TBS International (the "**Franchise Agreement**"), the Company historically received all of its inventory from the TBS International. The Franchise Agreement is attached as Exhibit "C" to my Initial Affidavit. For ease of reference, I have reattached the Franchise Agreement as **Exhibit "G"**.

35. The UK Administrator has provided the Proposal Trustee with TBS International's "general terms and conditions of sale" ("**General T&C**") that supplement the Franchise Agreement. A copy of the General T&C are attached to my Affidavit as **Exhibit "H"**.

36. In the ordinary course, the UK Parent would ship inventory to a distribution centre located in the United States (the "**US Distribution Centre**") and arrange for shipping and logistics to transfer the inventory from the US Distribution Centre to Canada. The Franchise Agreement and General T&C, read together, provide that TBS International's ownership and title of the inventory at the US Distribution Centre remains with TBS International until the UK Parent receives payment for such inventory from the applicable franchisee (i.e., TBS Canada in this case).

37. The Company has not received any inventory from the US Distribution Centre since the UK Administration was commenced and TBS US has ceased operations. Inventory valued at US\$85 million (retail value)³ currently resides at the US Distribution Centre that cannot be shipped to TBS Canada absent collective assistance from the Chapter 7 Trustee, the UK Parent and the UK Administrator.

³ There is an error in paragraph 15 of my Initial Affidavit which refers to the value of the inventory in the US Distribution Centre as US\$85 million (book value) when it is in fact, US\$85 million (retail value).

38. Since the Filing Date, the Company and the Proposal Trustee have had regular discussions with the UK Administrator and the Chapter 7 Trustee, with the goal of urgently replenishing the Company's inventory supplies in Canada. In addition, to facilitate the purchase and delivery of inventory to Canada, the Company has been required to establish relationships with shipping, brokerage, warehousing and logistics providers.

39. Through these discussions, TBS Canada and the Proposal Trustee have progressed a number of workstreams designed to replenish the Company's inventory. These workstreams have included:

- (a) purchasing inventory that was in-transit to the United States at the Filing Date. This in-transit inventory is (i) held at various ports in the United States by a brokerage company who is owed unpaid freight and storage costs associated with importing the inventory, or (ii) on boats being shipped to the United States from various locations. This inventory is not currently located at the US Distribution Centre, but is owned by the UK Parent. I understand that the Proposal Trustee is in discussions with the brokerage company and the UK Administrator to settle the terms of sale and release of this inventory to Canada;

- (b) purchasing inventory from the UK Parent that is located in the UK Parent's warehouse in the United Kingdom;
- (c) purchasing inventory from the UK Parent that is located in the US Distribution Centre; and
- (d) coordinating the delivery of approximately US\$100,000 (cost value) of inventory that was en-route to TBS Canada but was stopped at the border and turned back to the US Distribution Centre prior to the Filing Date ("**Returned Inventory**"). TBS Canada paid for the Returned Inventory in full prior to the Filing Date. With the assistance of the Proposal Trustee, TBS Canada has made arrangements with a third-party courier and a customs and duties agent to pick up the Returned Inventory from the Distribution Centre and complete the delivery to TBS Canada. Once received, the Returned Inventory should provide TBS Canada with sufficient inventory to replenish certain of its stores. To continue operating its remaining 72 stores as a going concern in the ordinary course, TBS Canada will require incremental inventory from the other workstreams discussed above.

40. A complicating factor associated with purchasing inventory located in the US Distribution Centre is that all of the inventory will need to be picked and packaged for delivery, but such individuals that would have previously performed such task were previously employed by TBS US. The Chapter 7 Trustee has advised that, absent a court order, operations are not permitted under the Chapter 7 Proceedings. The Chapter 7 Trustee has further advised that it does not have the funds required to pay the ex-U.S. employees to assist with fulfilling any replenishment orders or the related utility or insurance costs.

(v) Cash Management System and Cash Pooling Arrangement

41. As described in my Initial Affidavit, TBS International has historically been in full control of several functions of TBS Canada and TBS US, including legal, accounting/finance, treasury, tax, human resources, payroll, information technology, real estate, marketing, procurement and logistics services (collectively, the “**Shared Services**”). In Canada, the UK Parent achieved this through a cash management system and cash pooling arrangement (the “**Cash Pooling Arrangement**”). Pursuant to the Cash Pooling Arrangement, all of TBS Canada’s funds were deposited into the RBC Accounts held in the Company’s name and then swept by TBS International in the UK. TBS International would use the swept funds to pay TBS Canada’s payables upon

direction by the Company and to pay intercompany payables, including the Shared Services.

42. As previously explained to this Court in my Initial Affidavit, in the period between November 1, 2023 and February 13, 2024, the UK Parent swept \$42.9 million from the RBC Accounts, while only remitting \$21.8 million on account of the Company's payables and payroll during this period (the "**Swept Cash**"). This created a backlog of over \$3.3 million in indebtedness and forced the Company to commence this NOI proceeding.

43. Since the Filing Date, the Proposal Trustee and TBS Canada have made enquiries of the UK Parent and the UK Administrator regarding (a) the Cash Pooling Arrangement and how the Canadian sweeps were administered, (b) the cash management system and intercompany Shared Services, and (c) the Swept Cash.

44. The UK Administrator has provided the following documents in response:

- (a) a market supply and royalty letter between TBS International and TBS Canada dated January 1, 2016, a copy of which is attached to my Affidavit as **Exhibit "I"** (the "**Market Supply Agreement**");
- (b) an agreement for the provision of services by and between TBS International and TBS Canada dated November 16, 2016, a copy of which

is attached to my Affidavit as **Exhibit “J”** (the “**Services Agreement**”);
and

- (c) a financing agreement between TBS International and TBS Canada dated July 19, 2017 and an amendment thereto dated June 26, 2018 (collectively, the “**Financing Agreement**”), a copy of which is attached to my Affidavit as **Exhibit “K”**.

45. Pursuant to the Market Supply Agreement, TBS International is required to pay market support payments to TBS Canada if the Company does not meet a designated operating income threshold. If TBS Canada exceeds the operating income threshold, it is charged a franchise fee that is payable to the UK Parent.

46. In addition to the Shared Services, the fees payable under the Marketing Supply Agreement, and amounts owing for inventory purchases from the UK Parent, among other intercompany payables, were administered through the Cash Pooling Arrangements and cash management system in place between TBS International and TBS Canada.⁴

⁴ The Second Report includes a detailed discussion on the intercompany accounting between TBS International and TBS Canada and the administration of the cash management system between the companies.

47. The Services Agreement and the Financing Agreement, taken together, (a) provide TBS International with the authority to make decisions regarding the operations and cash management of TBS Canada, and (b) establish the Cash Pooling Arrangements and the ability of TBS International to sweep the RBC Accounts.

48. Pursuant to the Services Agreement, the Company authorized TBS International to act as its treasury manager (in such capacity, the “**Treasury Manager**”) and make decisions in relation to its cash management. In exchange, the UK Parent provided the Shared Services to assist the Company in the operation and management of its business.

49. The Financing Agreement established loan facilities between the UK Parent and TBS Canada that comprised (a) revolving loan facilities made available by both TBS International and the Company to the other party (each, a “**Revolving Loan Facility**”), (b) an overdraft facility, pursuant to which TBS Canada had the ability to draw amounts from TBS International (“**Overdraft Facility**”), and (c) a deposit facility under which TBS Canada deposited amounts to be drawn (or swept) by the UK Parent (“**Deposit Facility**”).

50. Under the Services Agreement and Financing Agreement, the cash management system and Cash Pooling Arrangements were structured such that:

- (a) transfers would be made as required to or by TBS International from or to TBS Canada in an amount determined by TBS International, either for itself or in its capacity as Treasury Manager. To the extent that funds were transferred from the Company to TBS International, it was recorded as a deposit under the Deposit Facility and to the extent that money was transferred from TBS International to TBS Canada, it was recorded as a loan under the Overdraft Facility; and
- (b) from time to time, the (i) aggregate amount of deposits were deemed as loans from the Company to TBS International under the relevant Revolving Loan Facility and (ii) the amount outstanding under the Overdraft Facility were deemed as loans from TBS International to the Company under the relevant Revolving Loan Facility. The effect of the designation of the deemed loans was to bring the balance on the Overdraft Facility and the Deposit Facility to zero.

51. The UK Administrator also provided a relationship acceptance form executed among TBS Canada, RBC (HSBC Bank Canada at such time) and HSBC Bank plc⁵ in October 2018 (the “**Relationship Acceptance Form**”), which appears to be part of a

⁵ HSBC Bank plc is a company registered and established in England and Wales. This company is the member of the HSBC Bank group that provides services in the United Kingdom.

series of documents with HSBC Bank Canada that authorized the UK Parent to sweep the RBC Accounts. A copy of the Relationship Acceptance Form annexing, among other things, a Master Services Agreement and Cash Concentration Services schedule is attached to this Affidavit as **Exhibit “L”**.

52. Pursuant to the Relationship Acceptance Form, TBS Canada authorized “cash concentration” services, including granting authority to the “relevant individuals” located in Canada or the United Kingdom, as applicable, to operate the RBC Accounts. The Relationship Acceptance Form does not identify the “relevant individuals”. The Cash Concentration Services schedule annexed to the Relationship Acceptance Form sets out the specific terms that apply to the cash concentration services.⁶ The Master Services Agreement indicates that each “Authorised Person” shall have authority in respect of any RBC Account or service, including cash concentration services. Under that agreement, TBS Canada is required to provide documents to RBC identifying the “Authorised Persons”.

53. My understanding is that, as per the Cash Concentration Services schedule, “debit sweep amounts” are swept from “Subordinated Accounts” and transferred to a “Master Account”. I am advised by my counsel Davies that based on the Relationship

⁶ Page 265 of Exhibit “L” (Relationship Acceptance Form).

Acceptance Form alone, it is difficult to ascertain the nexus between the “Subordinated Accounts” and the “Master Account” and the RBC Accounts, the Overdraft Facility or the Deposit Facility. It is also not clear on the face of the documents as to who TBS Canada designated as an “Authorised Person” with the authority to direct RBC in respect of the cash concentration services.

54. The Proposal Trustee has made inquiries of RBC to provide additional supporting documents in respect of the Cash Pooling Arrangements to obtain further clarity. In particular, the Proposal Trustee has requested, (a) bank account openings and related agreements, (b) cash pooling / intercompany banking agreements between TBS Canada and the UK Parent, (c) a listing of accounts and individuals with control/read access (being “Authorised Persons”), and (d) any other agreements with TBS Canada and RBC (or HSBC). I understand the Proposal Trustee is still awaiting a reply and that timing is delayed, in part, due to RBC’s recent acquisition of HSBC Bank Canada.

55. Since the Filing Date, the UK Parent is no longer sweeping the RBC Accounts but payments to TBS Canada’s creditors have continued in the ordinary course through the cash management system, *albeit* with the Proposal Trustee’s prior approval in each instance. In other words, when TBS Canada submits a payment request to TBS International, TBS International in turn instructs RBC to process a payment towards the

Company's payables and RBC transfers the amounts from the RBC Accounts only after securing the Proposal Trustee's prior approval, in accordance with the March 4 Order.

(vi) Efforts to Pursue a Going Concern Solution

56. Together with the Proposal Trustee, I have engaged in discussions with the UK Parent, the UK Administrator and Aurelius to discuss options to continue the Canadian operations. The structure of any transaction is inextricably linked to the outcome of the UK Administration. As a result, while parties have expressed interest in the Canadian business, it has not yet been clearly determined whether TBS International will preserve the current organisational structure with TBS Canada as its subsidiary, or whether it would be supportive of a sale of TBS Canada's business to a third-party or related buyer.

57. On April 4, 2024, the UK Administrators issued an Administrator's Statement of Proposals, which appears to be a report to the creditors of the UK Parent (the "**UK Report**"). Attached as **Exhibit "M"** to my Affidavit is a copy of the UK Report.

58. The UK Report provides information about the circumstances giving rise to the appointment of the UK Administrators and the go-forward plan for TBS International. In the UK Report, the UK Administrators state "At present the Administrators are expecting to propose a CVA [Company Voluntary Arrangement] to the Company's creditors

allowing the Company to be rescued and exit from Administration [...] In the event that a CVA cannot be agreed, the Joint Administrators will proceed with a sale of the business and assets”.⁷

59. TBS Canada is in the process of engaging counsel in the United Kingdom to assist it in navigating the UK Administration and assessing any plan or arrangement that is proposed by the UK Parent for its creditors.

60. Notwithstanding the forgoing, I believe that there has been a sufficient level of interest from parties in preserving the Canadian business to warrant continuing to pursue a going concern sale and the continuation of this NOI proceeding.

C. Relief Sought on this Motion

(i) Key Employee Retention Plan and KERP Charge

61. As part of this proceeding, TBS Canada is seeking this Court’s approval of the KERP, which is designed to retain and incentivize five individuals made up of Canadian employees and Contractors (the “**KERP Participants**”) that have been identified as crucial to TBS Canada’s restructuring efforts. TBS Canada is also seeking a charge

⁷ The UK Report also indicates that steps had been taken to place certain intellectual property assets into a separate entity prior to the UK Administration, but that following their appointment the UK Administrators had obtained comfort and confirmation that the relevant intellectual property assets remain available to TBS International. TBS Canada and the Proposal Trustee are taking steps to understand this transfer and its impact on the Company.

over its property in the amount of \$470,000 to secure the amounts payable under the KERP (the “**KERP Charge**”). I am advised by the Proposal Trustee that it supports the KERP and the KERP Charge.

62. The KERP contemplates that each of the KERP Participants will be entitled to a retention payment based on a percentage of their annual salary. The aggregate retention payment for all of the KERP Participants is \$470,000.

63. Payments under the KERP will be paid in three installments with the first installment being due immediately following approval of the KERP, if granted. Further payments would be conditional upon the terms and conditions set out in the KERP letter, including that such KERP Participants have not resigned or been terminated due to misconduct prior to the applicable payment dates.

64. The KERP Participants are a group of skilled and experienced individuals who are critical to value preservation and maintaining operational efficiencies at TBS Canada. The KERP Participants perform important management or business functions and the institutional knowledge and skills possessed thereby are irreplaceable, making their continued services vital to TBS Canada’s operations.

65. TBS Canada, with the assistance of the Proposal Trustee and their advisors, developed the KERP. The KERP takes into consideration the KERP Participants' existing compensation packages and the circumstances of this NOI proceeding.

66. I believe the KERP is necessary to ensure the continued engagement of the KERP participants. I have been informed by a number of the KERP Participants that the approval of the KERP is a significant factor as to whether they will be willing to continue working with TBS Canada during this NOI proceeding.

67. If approved, the KERP Charge would rank behind the Administration Charge and the D&O Charge. The Landlord Charge will expire on April 16, 2024, which coincides with the first bi-weekly rent payment period by TBS Canada. As a result, the form of draft order approving the KERP contemplates that the KERP Charge will not be effective until April 16, 2024. The KERP Charge would rank ahead of the Aurelius Security and RBC Registrations but behind the Enterprise Security.⁸ Aurelius Seven, RBC, and Enterprise will all be served with this motion. Each KERP Participant will only obtain the benefit of the KERP Charge up to their respective individual entitlements under the KERP.

⁸ This ranking is consistent with the ranking afforded the Administration Charge and the D&O Charge in the March 4 Order.

(ii) Sealing the KERP

68. The KERP is attached as an appendix to the Second Report. The KERP includes a detailed listing of the KERP Participants along with their names, current positions, compensation and proposed payments under the KERP. Salary information is highly personal to the KERP Participants and is not generally made public by TBS Canada or TBS US. In order to protect the KERP Participants and to minimize disruption during the NOI proceeding, TBS Canada is seeking an order sealing the KERP subject to a further court order.

(iii) Extension of Time to File a Proposal

69. TBS Canada is seeking an extension of the time to file a proposal from its current expiration date of April 16, 2024 to May 31, 2024 (the “**Extension**”).

70. The Extension will provide TBS Canada with the requisite time to further its inventory replenishment efforts and continue to engage with the UK Parent, the UK Administrator, Aurelius and potential buyers, all with the goal of facilitating a going concern sale of the business. TBS Canada has and intends to continue to work in good faith and due diligence in the period prior to and during this NOI proceeding.

71. The Company has prepared an updated cash flow forecast with the assistance of the Proposal Trustee, which sets out the projected cash flows for the 13-week period

ending June 28, 2024 (the “**Updated Cash Flow**”). I understand that the Proposal Trustee will file the Updated Cash Flow with the Court in connection with this motion. The Updated Cash Flow shows that TBS Canada has sufficient liquidity to operate to the end of the requested Extension.

D. Conclusion

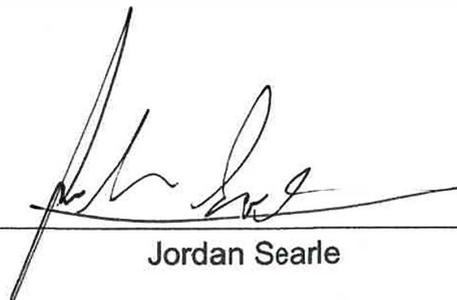
72. For the reasons expressed herein, I am of the view that TBS Canada is acting in good faith and with due diligence in seeking the relief sought on this motion and that if granted, the relief will not prejudice any of the Company’s creditors.

SWORN remotely by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on the 8th day of April, 2024 in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

}

Mehak Suri

Mehak Suri
Commissioner for Taking Affidavits
(or as may be)



Jordan Searle

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF THE BODY SHOP CANADA LIMITED, IN THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO

Estate No.: BK-24-03050418-0031
Court File No: BK -31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Toronto

**AFFIDAVIT OF JORDAN SEARLE
SWORN APRIL 8, 2024**

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Lawyers for The Body Shop Canada Limited

This is Exhibit "C" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Estate/Court File No.: BK-31-3050418



**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) MONDAY, THE 4th DAY
JUSTICE OSBORNE) OF MARCH, 2024.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by The Body Shop Canada Limited (the "**Company**") for an order, *inter alia*: (a) expanding the stay of proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "**BIA**") by ordering the continuation of services and certain other protections in respect of the Company; (b) approving the Administration Charge (as defined below); (c) approving the D&O Charge (as defined below); (d) directing all persons who have in their possession and property, books or documents of the Company to deliver such books or documents or property to the Company, and (e) granting certain other relief was heard this day by videoconference.

ON READING the affidavit of Jordan Searle sworn on March 1, 2024, the First Report (the "**First Report**") of Alvarez & Marsal Canada Inc., in its capacity as proposal trustee of the Company (the "**Proposal Trustee**") filed, on being advised that the Company filed a notice of intention to make a proposal pursuant to section 50.4(1) of the BIA on March 1, 2024 (the "**NOI Filing Date**"), and on hearing the submissions of respective counsel for the Company, the Proposal Trustee, certain Landlords (defined below), including, Crombie Property Holdings

Limited, Oxford Properties Group and its affiliates, and The Cadillac Fairview Corporation Limited and its affiliates, who have consented to the rent payment terms set out herein on an exceptional basis, and such other counsel as were present as shown on the Participant Information Form, no one else appearing although duly served:

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, Motion Record and First Report are hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Searle Affidavit.

EXTENSION OF TIME TO FILE A PROPOSAL

3. **THIS COURT ORDERS** that pursuant to 50.4(9) of the BIA, the time for the Company to file a proposal is hereby extended to April 16, 2024 (the "**Extension Date**").

RESTRUCTURING

4. **THIS COURT ORDERS** the Company shall have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$1,000,000 in the aggregate; and
 - (b) refuse to honour any gift cards, existing return policies, refunds or discounts or other similar customer programs or obligations.

NO INTERFERENCE WITH RIGHTS

5. **THIS COURT ORDERS** that until the Extension Date (including as such date may be extended pursuant to section 50.4(9) of the BIA, the "**Proposal Outside Date**"), no individual, firm, corporation, governmental body or agency, or any other entities, including the UK Administrator or the UK Parent (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence, permit, lease, purchase order or other arrangement, whether written or oral (each, an "**Agreement**"), in favour of or held by the

Company, except with the written consent of the Company and the Proposal Trustee, or leave of this Court.

6. **THIS COURT ORDERS** that any Person who has, or is believed or suspected to have, in their possession or power any of the property of the Company, or any book, document or paper of any kind relating in whole or in part to the Company, shall promptly, upon the request of the Company and the Proposal Trustee, be required to produce the book, document or paper for the information of the Company, or to deliver to the Company any property of the Company in their possession.

7. **THIS COURT ORDERS** that no Person, including HSBC Bank Canada, shall disburse, remit, transfer or otherwise pay any funds from the bank accounts held at HSBC Bank Canada in the name of the Company, except with the prior written consent of the Company or the Proposal Trustee, or leave of this Court.

CONTINUATION OF SERVICES

8. **THIS COURT ORDERS** that until the expiry of the Proposal Outside Date, all Persons having an Agreement or arrangement with the Company or statutory or regulatory mandates for the supply or license of goods and/or services, including without limitation all computer software, communication and other data services, banking services, payroll services, merchant and credit card processing services, insurance, transportation services, utility or other services to the Company, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply or license of such goods or services as may be required by the Company, and that the Company shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Company in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Company and the Proposal Trustee, or as may be ordered by this Court.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed or resiliated in accordance with the BIA, the Company shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the applicable landlord (each, a "**Landlord**") under the lease or as otherwise may be negotiated between the Company and the

Landlord from time to time ("**Rent**"), (a) for the period commencing from and including the NOI Filing Date until March 31, 2024, four times monthly in equal payments on the first business day of each week, in advance (but not in arrears), and (b) for the period commencing April 1, 2024 until the Extension Date, as such date may further extended pursuant to an Order of this Court, twice monthly in equal payments on the first and fifteenth day of each month, in each case, in advance (but not in arrears) in the amounts set out in the applicable lease or, with the consent of the Proposal Trustee, at such other intervals and dates as may be agreed to between the Company and the Landlord. On the date of the first of such payments following the date of this Order, any Rent relating to the period commencing from and including the NOI Filing Date shall also be paid.

10. **THIS COURT ORDERS** that no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the NOI Filing Date, nor shall any Person be under any obligation on or after the NOI Filing Date to advance or re-advance any monies or otherwise extend any credit to the Company.

ADMINISTRATION CHARGE

11. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Company (collectively, the "**Restructuring Professionals**") shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the NOI Filing Date, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Restructuring Professionals on a weekly basis, or as they may otherwise agree, and is hereby authorized to pay or to have paid retainers to the Restructuring Professionals as security for the payment of their respective fees and disbursements outstanding from time to time.

12. **THIS COURT ORDERS** that the Restructuring Professionals shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on all of the Company's present and future assets, undertakings and property of every nature and kind whatsoever and wherever situate, including all proceeds thereof (collectively, the "**Property**"), which charge shall not exceed an aggregate amount of \$700,000, as security for payment of their respective professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order, in respect of this proceeding. The Administration Charge shall have the priority set out in paragraphs 17 and 19 hereof.

INDEMNIFICATIONS AND CHARGE

13. **THIS COURT ORDERS** that the Company shall indemnify its directors and its officers against obligations and liabilities that they may incur as a director or officer of the Company after the NOI Filing Date, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

14. **THIS COURT ORDERS** that the director and officers of the Company shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,100,000, as security for the indemnity provided in paragraph 13 of this Order. The D&O Charge shall have the priority set out in paragraphs 17 and 19 herein.

15. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge; and (b) the Company's director and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors and officers insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 13 of this Order.

LANDLORD CHARGE

16. **THIS COURT ORDERS** that in respect of each real property lease, until the earlier of (a) April 16, 2024, or (ii) the effective date of any disclaimer of the lease pursuant to section 65.2 of the BIA (i.e. 30 days after the notice is sent in accordance with the BIA) (the "**Applicable Period**"), the Landlord under such lease shall be entitled to the benefit of and is hereby granted a charge (the "**Landlord Charge**") on all of the Company's present and future assets, undertakings and property of every nature and kind whatsoever and wherever situate, including all proceeds thereof (collectively, the "**Property**"), which charge shall not, in the case of the Landlord, exceed an aggregate amount equal to 50% of the monthly rent set under such lease with the Company and the Landlord, as security for payment of the Landlord's rent during the Applicable Period. The Landlord Charge shall have the priority set out in paragraphs 17 and 19 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

17. **THIS COURT ORDERS** that the priorities of the Administration Charge and the D&O Charge (collectively, the “**Charges**”), as among them, with respect to the Property shall be as follows:

First – Administration Charge

Second – D&O Charge

Third – Landlord Charge

18. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including any statutory, deemed or constructive trust), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person, notwithstanding the order of perfection or attachment, provided that the Charges shall rank subordinate to the Encumbrances evidenced by registrations listed on Schedule “A” to this Order.

20. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Company also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

21. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order subsequently made; (c) the provisions of any federal or provincial statutes; or (d) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances,

contained in any Agreement which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Company pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

22. **THIS COURT ORDERS** that any Charge created by this Order over a lease of real property in Canada shall only be an Encumbrance in the Company's interest in such real property lease.

SERVICE OF DOCUMENTS

23. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (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 and paragraph 13 of the Guide, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL www.alvarezandmarsal.com/thebodyshop

24. **THIS COURT ORDERS** that the Company, the Proposal Trustee and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Company's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed

to be in satisfaction of a legal or judicial obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

25. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Company and the Proposal Trustee and their respective counsel and agents are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery, email or facsimile transmission to the Company's creditors or other interested parties at their respective addresses (including email addresses) as last shown on the records of the Company and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of transmission thereof, if sent by electronic message on or prior to 5:00 p.m. Eastern Time; (b) the next business day following the date of forwarding or transmission thereof, if sent by courier, personal delivery, facsimile transmission or electronic message sent after 5:00 p.m. Eastern; or (c) on the third business day following the date of forwarding thereof, if sent by ordinary mail.

GENERAL

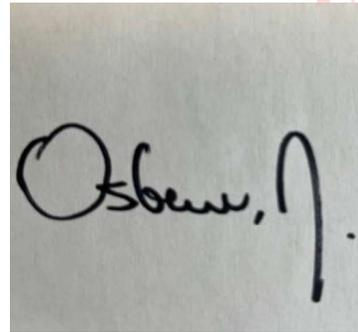
26. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

28. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee be at liberty and are 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 that the Proposal Trustee 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.

29. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Osborne, J." written in a cursive style.

2024.03.
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**SCHEDULE A
PPSA REGISTRATIONS**

Secured Party	Jurisdiction	Registration Number
Enterprise Fleet Management Canada, Inc.	British Columbia	625741P
	Alberta	20051800301
	Nova Scotia	37880374
	Ontario	20231218 1404 1462 0081 20200225 1401 1462 3626 20230515 1405 1462 5479 20230529 1406 1462 1279 20230529 1406 1462 1280

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN THE CITY
OF TORONTO, IN THE PROVINCE OF ONTARIO

Estate/Court File No.: 31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**
Proceeding commenced at Toronto

ORDER

DAVIES WARD PHILLIPS & VINEBERG LLP
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Counsel for The Body Shop Canada Limited



**ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: BK-31-3050418

DATE: March 4, 2024

NO. ON LIST: 3

TITLE OF PROCEEDING: **In the Matter of the Notice of Intention to Make a
Proposal of
The Body Shop Canada Limited**

BEFORE JUSTICE: **Justice Osborne**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
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Natalie Renner		NRenner@dwpv.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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Jane Dietrich	Counsel for the Proposal Trustee	jdietrich@cassels.com
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D.J. Miller	Counsel to Oxford Properties & its Affiliates	djmiller@tgf.ca

David Bish	Counsel for Cadillac Fairview Corporation Ltd. and its Affiliates & other landlords	dbish@torys.com
S. Michael Citak	Counsel for Crombie Property Holdings Ltd. and agent for counsel to RioCan Real Estate Investment Trust and Cushman & Wakefield Asset Services ULC	mcitak@grllp.com

ENDORSEMENT of OSBORNE, J.:

1. The Body Shop Canada Limited (“TBS Canada” or the “Company”) seeks an order:
 - a. expanding the scope of the stay of proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3 (the “BIA”) by way of an order directing the continuation of services and certain other protections in respect of the Company;
 - b. granting an administration charge;
 - c. approving an indemnity and granting a priority charge with respect thereto to indemnify the director and officers of the Company;
 - d. directing all persons who have in their possession or power, any property of TBS Canada or any book, document or paper of any kind relating to the Company to produce same to the Company; and
 - e. extending the time for the Company to file a proposal under the *BIA* (or seek a further extension) by 19 days from the current expiry date, through to April 16, 2024.
2. I granted the requested order at the conclusion of the hearing of this motion earlier today, with reasons to follow. These are those reasons.
3. Defined terms in this Endorsement have the meaning given to them in the motion materials and/or the First Report of the Proposal Trustee, unless otherwise stated.
4. TBS Canada relies on the Affidavit of Mr. Jordan Searle sworn March 1, 2024, together with exhibits thereto, and the First Report. Mr. Searle is the General Manager, North America and the sole director of TBS Canada. He is also an officer and director of the Company’s US affiliate.
5. The Service List, including for greater certainty The Body Shop International Limited (the “UK Parent”), Aurelius Group, the entity that recently acquired the UK Parent (“Aurelius”), and the Administrator who was appointed effective on February 13, 2024 (the date on which the UK Parent filed for administration in the United Kingdom), has been served. I pause to observe that none of the UK Parent, Aurelius or the Administrator has elected to be present in Court today. The hearing proceeded remotely via Zoom specifically to facilitate the convenient appearance of those located in other jurisdictions if they wished to attend.
6. As a result of discussions that occurred over the last few days and up until the hearing today between and among TBS Canada, the Proposal Trustee and key stakeholders including the landlords referred to below and represented in Court today as stated above, the relief sought today was unopposed and proceeded on the consent of all parties present and with the strong support and recommendation of the Proposal Trustee.

7. The circumstances giving rise to both this proceeding generally, and the specific relief sought today, are somewhat unusual. It is my expectation that such circumstances will remain relatively unusual.
8. TBS Canada is a retailer that sells cosmetics, skincare and perfume products through 105 retail stores located across Canada and via an e-commerce platform, branded as “The Body Shop”. It filed a Notice of Intention under the *BIA* last week on March 1, 2024.
9. The circumstances leading to the filing of that NOI were both unfortunate and necessarily rushed. They are explained further below.
10. TBS Canada is incorporated under the *Canada Business Corporations Act*. It is owned by the UK Parent, and its head office is located at Toronto. The majority of its 105 stores are located in Ontario as are the majority of its 704 employees. None of the employees is unionized.
11. The Company’s secured creditor is Aurelius IV UK AcquiCo Seven Limited (“Aurelius Seven”). It has a security interest over all of the assets and property of the Company pursuant to a general security agreement registered under the personal property security regimes in each province and territory across Canada. It also owns, indirectly, all of the outstanding shares of the parent company of the Company, the UK Parent.
12. Aurelius, indirectly through related entities, acquired the Company only a few months ago in December, 2023. Aurelius Seven entered into a loan agreement with the UK Parent pursuant to which it made funds available to the UK Parent for the purpose of assisting the purchaser and the acquisition (the “Aurelius Purchaser”) to fund the acquisition. The acquisition, the loan agreement and the terms and circumstances of each are more fully set out in the Searle Affidavit and the First Report.
13. The obligations under that loan agreement were guaranteed by TBS Canada, and TBS Canada granted Aurelius Seven security over all of its assets. The guaranteed obligations are payable on demand.
14. I pause to observe that it is not clear to me from the motion materials, nor as counsel confirmed at the hearing of this motion is it clear to TBS Canada, what if any consideration was received by TBS Canada in exchange for the guarantee obligations. That is for another day.
15. On February 13, 2024, FRP Advisory were appointed jointed administrators of the UK Parent in the United Kingdom.
16. Historically, the UK Parent has been in full control of much of the business functions of TBS Canada including inventory, human resources, accounts payable and cash management. Effectively, the UK Parent has regularly completed a cash sweep of the accounts of TBS Canada with the result that all funds and liquidity of TBS Canada were remitted to the UK Parent, in return for it paying the payables, including rent and payroll obligations, of TBS Canada.
17. Specifically from November 1, 2023 until February 12, 2024 (the day prior to the UK Parent being placed into Administration), the UK Parent continued to sweep receivables from the bank accounts of the Company held at HSBC Bank Canada. However, during the same period, the UK Parent failed to remit payments in full to the vendors and landlords of the Company as it had done previously in exchange for sweeping the cash accounts.
18. Nor did the UK Parent give any notice whatsoever, formal or informal, to TBS Canada of its intention to file for insolvency protection.
19. As a result, and as more fully set out in the First Report of the Proposal Trustee, this caused the Company to incur debts in excess of \$3.3 million that it is unable to satisfy.

20. The Company has made requests to the UK Parent, the Administrator and Aurelius to return the funds that were swept, or in the alternative, to provide funding to enable TBS Canada to satisfy its outstanding obligations. The Company expressly advised those three entities that absent this assistance, the Company would be forced to seek insolvency protection. Those entities advised nonetheless that no funding support would be provided to TBS Canada and they refused to return the cash swept and retained by them.
21. The inevitable result was the filing of the Notice of Intention by TBS Canada on March 1, 2024 to obtain the benefit of a stay pursuant to the *BIA* and to provide the stability urgently required by the Company while it reviews and advances its options going forward.
22. The relief sought today follows on the unfortunate circumstances which have just unfolded, as described above.
23. As set out in the Searle Affidavit, the company has relied on its US counterpart, Buth-Na-Bodhaige Inc. (“TBS US”) for distribution and logistics services. Prior to the somewhat extraordinary events set out above, TBS US would receive inventory from TBS International on behalf of TBS Canada and hold it at its US Distribution Centre. It would then arrange for the distribution to customers for TBS Canada. TBS US also provides e-commerce services to TBS Canada and until recently fulfilled online orders also through its US Distribution Centre.
24. Also as more particularly set out in the Searle Affidavit, accounting and cash management functions for TBS US were, like those for TBS Canada, controlled by the UK Parent. The UK Parent acted in essentially the same manner with respect to TBS US as TBS Canada through continued cash sweeps but failed or refused to make cash available to TBS US or pay suppliers on its behalf, as had historically been done. The result was that on March 1, 2024, TBS US began shutting down its operations and implementing very significant employee terminations in the United States.
25. That is relevant to this motion because it has resulted in TBS Canada no longer having access to its e-commerce platform, the ability to ship to its wholesale partners (including Shoppers Drug Mart and amazon.ca) or its only means of receiving new inventory.
26. The total rent for all 105 retail stores across Canada is currently in arrears to the extent of approximately \$900,000, representing rent due for the month of February.
27. In addition to the secured debt owed to Aurelius as discussed above, there are also registrations against the Company in favour of Enterprise Fleet Management Canada in respect of company vehicles leased for certain employees, and HSBC. I pause to further observe that, at least today, it is unclear to TBS Canada and to the Proposal Trustee what the HSBC registrations relate to, and TBS Canada does not believe that any amounts are owing to HSBC with respect thereto.
28. The Company has numerous unsecured creditors, including trade creditors to which it owes approximately \$2.5 million, and the landlords, to which it owes, as noted above, approximately \$900,000 in the aggregate at present.
29. Since the filing of the NOI last week, the Company has identified 33 underperforming stores that it will wind down during these proceedings. In an effort to improve its liquidity, on March 1, 2024 TBS Canada sent disclaimers of the leases to landlords of the stores scheduled to be closed. Employee headcount reductions will likely be necessary in addition to the 20 head office employees terminated on March 1, 2024 and additional employee terminations related to the stores being closed.
30. Accordingly, the situation is dire and was entirely unexpected. Not only did the UK Parent fail to give TBS Canada any notice of its intention to file for insolvency protection, it has not been cooperative or responsive to requests for information and documentation since the filing of the NOI here in Canada.
31. As a result of all of the above, TBS Canada seeks the relief on this motion today.

32. The issue is therefore whether and the extent to which that relief should be granted. For the reasons set out below, I am satisfied that the relief as requested in the Notice of Motion should be granted.

Expansion of the BIA Stay of Proceedings and Related Relief: Continuation of Goods and Services; Prohibiting Disbursements from the HSBC Accounts; and Weekly Rent Relief

33. The Company seeks an expansion of the stay under section 69(1) of the *BIA* and related relief providing for the continuation of goods and services; prohibiting any disbursement of funds from the HSBC Accounts without the prior consent of the Company or the Proposal Trustee; and providing for the payment of rent on a weekly basis for the month of March, 2024, and bi-weekly thereafter.

34. I am satisfied that I have the discretion to grant relief of this nature in the circumstances. As stated by the Supreme Court of Canada in *Century Services Inc. v. Canada (Attorney General)*, 2010 SCC 60 (“*Century Services*”) at para. 15:

As I will discuss at greater length below, the purpose of the *CCAA* - Canada’s first reorganization statute - is to permit the debtor to continue to carry on business and, where possible, avoid the social and economic costs of liquidating its assets. Proposals to creditors under the *BIA* serve the same remedial purpose, though this is achieved through a rules-based mechanism that offers less flexibility. Where reorganization is impossible, the *BIA* may be employed to provide an orderly mechanism for the distribution of a debtor’s assets to satisfy creditor claims according to predetermined priority rules.

35. The relief sought on this motion would prohibit any person from discontinuing or interfering with or terminating the supply of goods or services to TBS Canada, provided however that no person shall be required to extend credit to the Company or be prohibited from requiring immediate payment for goods and services provided after the Filing Date.

36. Without question, this relief is more typically granted to debtors under the *CCAA*. However, and as contemplated in *Century Services*, Canadian courts have granted such relief in the context of NOI proceedings where the expanded stay and related relief is necessary for the debtor to continue operations in the ordinary course while it reviews and advances restructuring options: *Scotch & Soda Canada Inc. (Re)*, Endorsement of Justice Steele dated May 16, 2023 (Court File No. BK-23-02941767-0031) (Ont. S.C.J. [Commercial List]) at para. 10, BOA, Tab 12 (“*Scotch & Soda*”); and *Bad Boy Furniture Warehouse Limited et al. (Re)*, Endorsement of Justice Penny dated November 10, 2023 (Court File No. BK-23-03008133-0031) (Ont. S.C.J. [Commercial List]) at para. 8, BOA, Tab 2.

37. I am satisfied that the ability of the Company today to continue to operate in the ordinary course is contingent on its ability to continue to receive goods and services from its suppliers, without disruption. The practical alternative, if this relief is not granted (and the same is true with respect to the heads of relief discussed below), is that TBS Canada will have to shut down all operations effective immediately, close all 105 stores and terminate all employees, thereby materially impairing, if not foreclosing altogether, any possibility of a maximization of possible outcomes for employees and other stakeholders.

38. Accordingly, I am satisfied that an order for the continuation of goods and services is appropriate here.

39. Similarly, the relief in the form of an order prohibiting HSBC (or any other person) from dispersing any funds in the HSBC accounts without the prior consent of the Company or the Proposal Trustee will ensure that the Company can access and administer the HSBC Accounts without interference from the UK Parent.

40. I am satisfied that today that such relief is appropriate here. HSBC has not filed any materials nor made submissions to the Court today, although served with the motion materials. Moreover, and more fundamentally, although TBS International has assured TBS Canada that it will not sweep the HSBC

Accounts, it has not provided those assurances in writing. I observe that it was those very same cash sweeps that caused the liquidity crisis forcing the filing of the NOI in the first place.

41. Finally, TBS Canada is not aware of any documentation evidencing the Cash Pooling Arrangement, or its purported termination. To be clear, as of today TBS Canada has been unable to locate (indeed, if such exists), any written agreement permitting and authorizing the UK Parent to conduct the cash sweeps referred to above, or to unilaterally terminate the payment of suppliers on behalf of TBS Canada while purporting, at least for the period referred to above, to continue to transfer cash pursuant to the sweeps.
42. In these circumstances, which are odd and unusual (to put it mildly), and particularly in the absence of any opposition from any of the UK Parent, Aurelius or HSBC but with the support of the Proposal Trustee, I am satisfied that this relief is appropriate.
43. Similarly again, TBS Canada is requesting approval to pay rent for the period commencing from the Filing Date on a weekly basis for March, 2024 and on a bi-weekly basis thereafter. Again, this request enjoys the support of the Proposal Trustee.
44. The Cash Flow Forecast for the period ending May 24, 2024 demonstrates that the requested rent relief is consistent with the purpose of proposals under the *BIA* in that it preserves required liquidity and ensures that the Company can satisfy its priority obligations for payroll and sales taxes while having the flexibility required to explore a going concern solution.
45. More specifically, and as observed by the Proposal Trustee in its First Report, the relief with respect to the frequency of rent payments and the period to which they relate are critical to maintaining liquidity absent interim financing. The company would be unable to fund an entire month of rent in advance.
46. As observed by Morawetz, J. (now the Chief Justice of this Court) in *Kitchener Frame Limited (Re)*, 2012 ONSC 234 at para. 70:

The object of proposals under the *BIA* is to permit the debtor to restructure its business and, where possible, avoid the social and economic costs of liquidating its assets, which is precisely the same purpose as the *CCAA*. Although there are some differences between the two regimes and the *BIA* can generally be characterized as more “rules-based”, the thrust of the case law and the legislative reform has been towards harmonizing aspects of insolvency Law, and to the two statutory schemes to the extent possible, encouraging reorganization over liquidation.
47. Simply put, the requested rent relief does exactly what the Court in that case contemplated, and such relief is required if the Company is to be able to maintain the requisite liquidity to fund ongoing operations without obtaining interim financing.
48. The draft order provides, with the consent of the landlords, that the rent will be paid by the Company on a weekly basis (in advance). The typical language in orders made in proceedings under the *CCAA* provides for bi-weekly payments of rent. The Proposal Trustee is satisfied that an order authorizing weekly payments is necessary to appropriately preserve the liquidity of the Company.
49. Without question, this relief is unusual, and will in all likelihood remain so. However, I am satisfied that such unusual relief is appropriate in the equally unusual circumstances of this case where the NOI filing was so unanticipated only a short period of time ago. Moreover, and as noted above, declining to grant this relief would have immediate and negative effects on the Company and all of its stakeholders including employees.
50. I am satisfied that the granting of this relief does not represent a preference in the circumstances of this case. Absent any relief, the contractual provisions of the leases with the landlords require a full month’s

rent to be paid, and paid in advance. The Cash Flow Forecast is clear that the Company lacks the liquidity to fulfil those existing contractual obligations.

51. Moreover, the proposed charge in favour of the landlords (the “Landlord Charge”) secures only 50% of the amounts outstanding at any time (i.e., one half of the one month’s rent payable pursuant to the leases). It is temporally limited and has effect only until the earlier of April 16, 2024 (the day following the extended date upon which the Company must file a Proposal), or the effective date of any disclaimer of each lease pursuant to section 65.2 of the *BIA* (i.e., 30 days after the *BIA* notices were sent). The Landlord Charge shall have a priority but rank behind the Administration Charge and the D&O Charge.
52. Finally, it is important to note that this relief is made with the express consent of the landlords referred to at the outset of this Endorsement. Accordingly, and to be clear, my decision to recognize this agreement and the compromise underlying it (as reflected in paragraphs 9 and 16 of the draft order) should not be taken as any finding or statement that such relief would be granted if it were contested, or indeed in any circumstances that were not so unusual and unforeseen as are those before me today.
53. Counsel for the Landlords present or represented today (Oxford Properties Group Inc. and its affiliates, Crombie Property Holdings Limited, The Cadillac Fairview Corporation Limited and its affiliates, and RioCan Real Estate Investment Trust and Cushman & Wakefield Asset Services ULC, have been clear in their submissions today that their consent to this agreement represents the unique facts and urgent circumstances facing TBS Canada and its approximately 800 employees, and reflects the spirit of cooperation while all parties assess the situation, and would not be given in usual circumstances.
54. On this basis, but recognizing that the rent relief preserves the liquidity of the Company here, I am satisfied that the relief is appropriate.

The Administration Charge and the Director’s and Officers’ Charge

55. The Company requests an Administration Charge in favour of the Proposal Trustee, its counsel and counsel to the Company in the amount of \$700,000. The authority for this Court to grant such a charge is found in section 64.2 of the *BIA*. Administration charges have been approved in other proposal proceedings where, as I am satisfied is the case here, the participation of the parties whose fees are to be secured is necessary to maximize the chances of a successful proceeding under the *BIA*. I observe that none of the proposed beneficiaries have retainers. See: *Scotch & Soda* at para. 13-18; *Mustang GP Ltd., (Re)*, 2015 ONSC 6562 at para. 33; and *Colossus Minerals Inc., (Re)*, Endorsement dated February 7, 2014 (Court File No. CV-14-10401-00CL) (“*Colossus*”) at para. 11-15.
56. The quantum of the proposed Administration Charge was calculated in consultation with the Proposal Trustee who is of the view that the amount is reasonable and appropriate. It will rank ahead of the D&O Charge, the Aurelius Security and HSBC Registrations but behind the Enterprise Security. Again, each of Aurelius, Enterprise and HSBC received notice of this motion. I further observe that the Aurelius Security is not enforceable today according to its terms and no demand has been sent to the Company, and as noted above the Company is of the view that there is no indebtedness secured by the HSBC Registrations in any event.
57. I am also satisfied that the Director’s and Officers’ Charge should be granted up to a maximum of \$2,100,000. It would rank behind the Administration Charge and Enterprise Security but ahead of the Aurelius Security and the HSBC Registrations.
58. The quantum reflects the statutory obligations for which the one director (the affiant on this motion) and officers are liable in the event the Company does not pay them, such as unpaid vacation pay, payroll and sales taxes.

59. Jurisdiction to approve such a charge flows from section 64.1 of the *BIA*, although there is a restriction on that jurisdiction found in section 64.1(3) in that the court may not make the order if in its opinion the person could obtain adequate indemnification insurance for the director or officer at a reasonable cost.
60. TBS Canada purportedly has coverage under a global director's and officers' insurance policy held by TBS International in the UK, which is said to apply to the officers and directors of its subsidiaries. However, the Company does not have access to the wording of the UK Policy, despite repeated requests for same from the UK Parent. Nor has it received any proof that premiums have been paid and that the policy is in force.
61. In the circumstances, and unless and until it is clear that adequate insurance is available, the charge is appropriate. I observe that in *Colossus*, such a charge was approved in circumstances that were similar, in that there was uncertainty as to whether the existing insurance in that case was sufficient to cover all potential claims.
62. In this case, it is unclear whether there is any applicable insurance, and if there is, what the terms or limits are. Moreover, the proposed charge will apply only to the extent that the director and officers lack sufficient coverage under the UK Policy or the company is unable to satisfy its indemnity obligations. The Company's sole director, the affiant on this motion Mr. Searle, and the officers, have advised that they will not continue their involvement with TBS Canada absent the protection. On the other hand, I am satisfied that their continued involvement is, as submitted by the Company and supported by the Proposal Trustee, critical to the success of these proceedings.
63. I further observe that the proposed charge applies only to claims or liabilities incurred after the Filing Date and does not apply to misconduct or gross negligence.
64. The Proposal Trustee has confirmed the proposed quantum is reasonable.
65. Both charges are approved.

Relief Directing the Return of Books and Records and other Property

66. The Company seeks an order directing all persons in possession of books, records and other property belonging to it, to produce or deliver same promptly to the Company upon the request of either the Company or the Proposal Trustee.
67. Jurisdiction to make such an order is found in section 164(1) of the *BIA*. It should be noted that s. 164 does not according to the language of that subsection apply to Division I Proposals under Part III of the *BIA*. However, section 66(1) provides that "All the provisions of this Act, except Division II of this Part, insofar as they are applicable, apply, with such modifications as the circumstances require, to proposals made under this Division."
68. As observed by the Federal Court of Appeal in *Hancor Inc. v. Systèmes de drainage modernes Inc.*, 1995 CarswellNat 1275, [1996] 1 F.C. 725 (FCA), section 66(1) "invit[es] the courts to participate in a process of intelligent harmonization and adaptation" and permits the court, on a case-by-case basis, to adapt and apply sections of the *BIA* to an NOI proceeding where appropriate.
69. I am satisfied that, when read together (as they should be), sections 66(1) and 164(1) permit such an order in an NOI proceeding in order that the objective of section 164 can be achieved. That objective includes ensuring that the trustee can fulfil its responsibilities to investigate and value, or otherwise establish, the assets and the liabilities of the bankrupt; and to otherwise discharge its duty to the creditors of the bankrupt to value and realize the value of the estate, can be achieved. See: *Osztrovics (Trustee of) v. Osztrovics Farms Ltd.*, 2015 ONCA 463.

70. While certainly, a Proposal Trustee as here, and a Trustee in Bankruptcy, are different officers of the Court, each has duties to creditors to protect the assets of the debtor and to realize on their value. It is “just as essential that a trustee have recourse to the books and other documents of the company in the administration of a proposal as it would in the case of ... a bankruptcy”: *Fundy Forest Industries Ltd. (Re)*, 1972 CarswellNB 14, 21 C.B.R. (N.S.) 170 (NB SC) at para. 8.
71. In this particular case, one effect of the Cash Pooling Arrangement historically performed by TBS International, and the cash sweeping arrangements discussed above, is that the UK Parent, Aurelius and the UK Administrator are in possession of certain of the Company’s accounting and other records.
72. Without those, the Company cannot perform many of the human resource, accounts payable and accounts receivable functions previously performed by TBS International and integral to the ongoing business of the Company. I am satisfied that this is a case that warrants the “intelligent harmonization of sections 164(1) and 66(1), and moreover that the order requiring production of the books and records achieves that harmonization. In short, it is obvious to me that the Company requires access to documentation that is clearly relevant.

Extension of Time to File a Proposal

73. Section 50.4(8) of the *BIA* requires the Company to file its proposal within 30 days unless extended. The extension requested here is of 19 days, well within the maximum of 45 days permitted by section 50.4(9). The Court must be satisfied that:
- a. the insolvent person has acted, and is acting, in good faith and with due diligence;
 - b. the insolvent person would likely be able to make a viable proposal if the extension being applied forward were granted; and
 - c. no creditor would be materially prejudiced if the extension being applied for were granted.
74. I am satisfied that each of the factors has been met here. This conclusion is fully supported by the Proposal Trustee. The First Report sets out the particulars justifying this conclusion, the highlights of which are summarized above.
75. I am satisfied that the company is working in good faith and in extremely challenging and unforeseen circumstances. The extension is clearly necessary to give the Company breathing room while it attempts to organize its affairs and stabilize operations. I am further satisfied that the extension will increase the likelihood of a viable proposal and that no creditors are prejudiced by the extension of just over two weeks. I am further satisfied that this temporally limited extension minimally impacts creditors while at the same time provides the Company with the time it needs.

Relief, Disposition and Comeback Hearing

76. For all of the above reasons, the motion is granted. Order to go in the form signed by me today which has immediate effect without the necessity of issuing and entering.
77. Given the stay extension until April 16, 2024, this matter will return before me on April 15, 2024 commencing at 10 AM.
78. In conclusion, I echo the observations I noted above, and in particular three things. First, the filing of the NOI was unanticipated, there having been no notice to TBS Canada of such an intention on the part of the UK Parent or Aurelius. Second, the filing of the NOI was brought about by the unilateral action of those same parties in continuing to sweep the cash accounts of TBS Canada, yet failing or refusing to pay the accounts of suppliers to TBS Canada. Third, there has to date been a lack of transparency and cooperation with the Company and the Proposal Trustee.

79. While there may be many substantive issues between and among the parties to be determined or resolved in the course of this proceeding, as a reflection of the principles of comity and the coordination of proceedings in different jurisdictions for the benefit of stakeholders, this Court would expect, and in fact does expect, the cooperation of the UK Parent, Aurelius and the Administrator with matters including but not limited to the production of books and records of the Company. Things like production of basic yet fundamental agreements and policies, let alone even clear and unequivocal confirmations regarding the existence of same, should not require the intervention of the Court in circumstances such as are present here.

A handwritten signature in black ink that reads "Osborne, J.". The signature is written in a cursive style with a large, looped initial "O" and a distinct "J" at the end.

Osborne, J.

This is Exhibit "D" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Court File No: BK-24-03050418-0031
Estate /Court File No.: BK -31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) MONDAY, THE 15th DAY
JUSTICE OSBORNE) OF APRIL, 2024.



IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by The Body Shop Canada Limited (the “**Company**”) for an order, *inter alia*: (a) granting an extension of time for the Company to file a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) to May 31, 2024; (b) approving the KERP (defined below); (c) approving the KERP Charge (defined below); (d) granting a sealing order in relation to the KERP; (e) approving the First Report of Alvarez & Marsal Canada Inc., in its capacity as Proposal Trustee of the Company (the “**Proposal Trustee**”) dated March 2, 2024 (the “**First Report**”) and the Second Report (defined below) and the activities described therein; and (f) granting certain other relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jordan Searle sworn on April 8, 2024 (the “**Searle Affidavit #2**”), the Second Report (the “**Second Report**”) of the Proposal Trustee dated April 9, 2024 filed, and on hearing the submissions of respective counsel for the Company, the Proposal Trustee and such other counsel as were present as shown on the Participant Information Form, no one else appearing although duly served:

SERVICE AND DEFINED TERMS

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

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Order of the Honourable Justice Osborne made March 4, 2024 (the “**March 4 Order**”).

EXTENSION OF TIME TO FILE A PROPOSAL

3. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the Company be and is hereby granted an extension of time to file a proposal to May 31, 2024.

KEY EMPLOYEE RETENTION PLAN AND KERP CHARGE

4. **THIS COURT ORDERS** that the key employee retention plan (the “**KERP**”) attached as Confidential Appendix C to the Second Report be and is hereby approved and the Company is hereby authorized to make payments in accordance with the terms and conditions of the KERP.

5. **THIS COURT ORDERS** that each of the KERP Participants (as defined in the Searle Affidavit #2) shall be entitled to the benefit of and are hereby granted a charge (the “**KERP Charge**”) on all of the Company’s present and future assets, undertakings and property of every nature and kind whatsoever and wherever situate, including all proceeds thereof (collectively, the “**Property**”), which charge shall not exceed an aggregate amount of \$470,000 for all KERP Participants (as defined in the Searle Affidavit #2), as security for the amount payable by the Company to each such KERP Participant in accordance with the KERP.

6. **THIS COURT ORDERS** that the filing, registration or perfection of the KERP Charge shall not be required, and that the KERP Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the KERP Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

VALIDITY AND PRIORITY OF CHARGES

7. **THIS COURT ORDERS** that the priorities of the Administration Charge, D&O Charge and the KERP Charge (collectively, the “**Charges**”), as among them, with respect to the Property shall be as follows:

First – Administration Charge

Second – D&O Charge

Third – KERP Charge

8. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other Encumbrances in favour of any Person, notwithstanding the order of perfection or attachment, provided that the Charges shall

rank subordinate to the Encumbrances evidenced by registrations listed on Schedule "A" to the March 4 Order.

9. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, in the March 4 Order, or as may otherwise be approved by this Court, the Company shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Charges unless the Company also obtains the prior written consent of the beneficiaries of the Charges (the "**Chargees**"), or by further Order of this Court.

10. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any right, renewal right, contract, agreement, licence, permit, lease, purchase order or other arrangement, whether written or oral (each, an "**Agreement**") which binds the Company, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the KERP Charge shall not create or be deemed to constitute a breach by the Company of any Agreement to which it is a party;
- (b) none of the KERP Participants shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the KERP Charge; and
- (c) the payments made under the KERP pursuant to this Order, and the granting of the KERP Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SEALING

11. **THIS COURT ORDERS** that Confidential Appendix C to the Second Report is hereby sealed and shall not form part of the public record subject to further order of this Court.

APPROVAL OF ACTIVITIES

12. **THIS COURT ORDERS** that the First Report and the Second Report are each hereby approved, and the activities and conduct of the Proposal Trustee described therein are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

13. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee be at liberty and are 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.

16. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:00 a.m. Eastern Time on April 16, 2024 without the need for entry or filing.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN THE CITY
OF TORONTO, IN THE PROVINCE OF ONTARIO

Court File No: BK-24-03050418-0031
Estate/Court File No.: BK-31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**
Proceeding commenced at Toronto

ORDER

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Counsel for The Body Shop Canada Limited



**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ENDORSEMENT

COURT FILE NO.: **BK-24-03050418-0031**

DATE: **15 April 2024**

NO. ON LIST: **1**

TITLE OF PROCEEDING:

**In the Matter of the Notice of Intention to make a Proposal of
THE BODY SHOP CANADA LIMITED *et al***

BEFORE: **JUSTICE OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Natasha MacParland	Counsel to The Body Shop Canada Limited	nmacparland@dwpv.com
Natalie Renner		nrenner@dwpv.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Jane Dietrich	Counsel for Alvarez & Marsal Canada Inc., in its capacity as Proposal Trustee	dietrich@cassels.com
Alec Hoy		ahoy@cassels.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Andrew J. Hatnay	Counsel to Stephanie Hood and other terminated employees	ahatnay@kmlaw.ca

Shereen Khalfan	Counsel to Hughes Network Systems, LLC	skhalfan@blg.com

ENDORSEMENT of OSBORNE, J.

1. The Body Shop Canada (“TBS Canada” or the “Company”) seeks an order:
 - a. regularizing service of the motion materials;
 - b. approving a key employee retention plan (“KERP”) for certain individuals identified as being crucial to the restructuring efforts of TBS Canada;
 - c. approving a corresponding priority charge (the “KERP Charge”) up to a maximum amount of \$470,000;
 - d. sealing the KERP documents;
 - e. extending the time for TBS Canada to file a proposal under the *BIA* to May 31, 2024; and
 - f. approving the activities and conduct of the Proposal Trustee as set out in the First Report dated March 2, 2024 and the Second Report dated April 9, 2024.
2. The Company relies upon the affidavit of Jordan Searle sworn March 1, 2024, together with Exhibits thereto, and the First and Second Report. Defined terms in this Endorsement have the meaning given to them in my Endorsement made in this proceeding on March 4, 2024, the motion materials, or the First or Second Report, unless otherwise stated.
3. I am satisfied that the Service List has been served. The Lawyer’s Certificate of Service, filed, confirms service of the Motion Record on the Service List via email on April 8, 2024, and service of the factum and brief of authorities on April 11, 2024.
4. The relief sought today is unopposed, and strongly supported by the Proposal Trustee.
5. TBS Canada filed an NOI pursuant to section 50.4(1) of the *BIA* on March 1, 2024. On March 4, 2024, I granted an extension of the time to file a proposal to April 16, 2024, together with various other relief.
6. The basis for that relief, together with the background to and context of the motion returnable today, is set out in my earlier Endorsement as well as both Reports.
7. Since March 4, the Company has worked to stabilize its operations and pay its post-filing payables as they become due, engaged with key stakeholders, the UK Administrator, the UK Parent, the US Trustee and Aurelius, liquidated inventory at 33 of its stores and reorganized its corporate structure to achieve cost savings, engaged with RBC to better understand the cash management system and Cash Pooling Arrangements, and engage in discussions to pursue a going concern solution.

8. Sales since the Filing Date have exceeded projections across the store network resulting in a strong liquidity position. One unfortunate side effect of all of this is a risk that the Company will run out-of-court merchandise, forcing it to close profitable store locations.
9. Accordingly, the Company is working with the UK Parent, the UK Administrator and the US Trustee to progress a number of work streams designed to refresh inventory.
10. The proposed KERP is designed to incentivize five key individuals, including Canadian employees and certain former TBS US employees engaged by the Company as independent contractors. They perform important management or business functions and their institutional knowledge and skills are irreplaceable, making their continued engagement vital to the operations of TBS Canada.
11. The KERP was developed with the assistance of the Proposal Trustee to take into account the existing compensation packages for these individuals as well as the circumstances of this NOI proceeding. The aggregate amount that may become payable pursuant to that KERP, if approved, is approximately \$470,000.
12. The Company also seeks approval of a corresponding KERP Charge in the same amount. Each participant will obtain the benefit of the proposed KERP Charge only up to the maximum of their respective individual entitlements under the KERP.
13. The proposed KERP Charge would rank behind the Administration Charge and the D&O Charge. The Landlord Charge expires tomorrow, on April 16, 2024. The KERP Charge would rank ahead of the Aurelius Security and HSBC Registrations, but behind the Enterprise Security.
14. Both the KERP and the KERP Charge are supported by the Proposal Trustee.
15. The sealing order in respect of the KERP would cover a detailed listing of the participants along with their current positions, compensation and proposed payments under the KERP. Salary information is highly personal and generally not public, and the Company seeks to minimize the disruption during this proceeding.
16. TBS Canada seeks an extension of the time to file a proposal by another 1.5 months to May 31, 2024. The additional time would provide the Company with the requisite time to further its inventory replenishment efforts and continue engaging with the UK Parent, the UK Administrator, Aurelius and interested parties, all with the objective of facilitating a going concern sale of the business.
17. The updated cash flow forecasts prepared by the Company demonstrate that it should have sufficient liquidity to fund operations during the requested Extension, all of which is supported by the Proposal Trustee.
18. Finally, the Company seeks approval of the activities of the Proposal Trustee.
19. I am satisfied that the relief sought should be granted.
20. First, the extension of time to file a proposal is authorized under section 50.4(9) of the *BIA*. I am satisfied that the Company has acted, and is acting, in good faith and with due diligence, will likely be able to make a viable proposal if the extension is granted, and finally that no creditor would be materially prejudiced if the extension were granted.
21. In the short period of time (only 19 days) since the Filing Date, the Company has advanced matters as set out above. There is no doubt that the proposed extension will increase the likelihood of a viable proposal by providing the Company the time it needs to continue to pursue its inventory replenishment

efforts and dialogue with key stakeholders, including but not limited to the UK Parent, Aurelius and the UK Administrator.

22. No creditors will be prejudiced as the extension will preserve the status quo, which, to date, has been positive for creditors in that the company has had the opportunity to pursue strategic options with a view to enhancing the viability of the business as a going concern. The Proposal Trustee supports the extension.
23. I am also satisfied that the proposed KERP should be approved. The proposed terms are set out above. Approval of a KERP is discretionary, but similar retention plans have been approved by this Court where the proposed participants are important for the stability of the business, difficult to replace and have extensive or specialized knowledge of the business of the debtor: *Grant Forest Products Inc. (Re)*, 2009 CarswellOnt 4699 at paras. 8, 11 and 12; and *Just Energy Group Inc. et al.*, 2021 ONSC 7630 at para. 14.
24. Similarly, the KERP Charge is also appropriate. I am satisfied that the non-exhaustive list of factors described by the court in *Grant Forest Products* has been satisfied here. The Proposal Trustee supports the KERP and the KERP Charge. The key employees are likely to pursue other opportunities absent the approval sought, and I am satisfied that the employees who are the subject of the proposed KERP are critical to a successful restructuring of the company. The quantum of the proposed retention payments is reasonable.
25. While *Grant Forest Products* was a CCAA proceeding, this Court has applied the same principles in proposal proceedings under the BIA: *Danier Leather*, 2016 ONSC 1044 at para. 77; and *In the Matter of the Notice of Intention to Make a Proposal of XS Cargo Limited Partnership*, Court File No. 32-1896275, Order dated August 6, 2014 at paras. 13-14.
26. The proposed priority ranking of the KERP Charge is also appropriate, and is not opposed by any party, including in particular, the beneficiaries of those charges to be primed by the new proposed priority. Aurelius Seven, Enterprise and RBC have all been given notice of this motion. The Aurelius Security is not enforceable on its terms, and no demand has been sent to the Company. The Company believes there is nothing owing to RBC in respect of the HSBC Registrations, with the result that neither of these parties will be prejudiced by the proposed priority ranking of the KERP Charge.
27. I am also satisfied that a sealing order in respect of the KERP is appropriate. Jurisdiction to grant such an order is found in section 137(2) of the CJA. I am satisfied here that the test articulated by the Supreme Court of Canada in *Sierra Club* as refined in *Sherman Estate* has been met. The disclosure of the KERP poses a serious risk to an important public interest; the order sought is necessary to prevent this serious risk and reasonable alternative measures will not prevent it; and, as a matter of proportionality, the benefits of the order outweigh its negative effects: *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 at paras. 53-57, BOA, Tab15; *Sherman Estate v. Donovan*, 2021 SCC 25 at para. 38, BOA, Tab 12.
28. This Court has held that there is a public interest in maximizing recovery in an insolvency that goes beyond each individual case: *Re Danier Leather*, 2016 ONSC 1044 at paras. 77 and 84. Details of KERPs have been the subject of sealing orders in CCAA and BIA proceedings where the court has been satisfied that the plans involve matters of a private, personal nature and confidential and personal information: *Ontario Securities Commission v Bridging Finance*, 2021 ONSC 4347 at paras. 23-27.
29. It is appropriate to seal the details of key employee retention plans that reveal individually identifiable information and compensation information on the basis that the protection of sensitive personnel and compensation information could, if disclosed, cause harm to the individuals and to the debtor. All of

this is an important commercial interest that should be protected: *CanWest Global Communications Corp. (Re)*, 2009 CarswellOnt 6184 (Ont. S.C.J. [Commercial List]) at paras. 49-52.

30. For all of these reasons, the Confidential Appendix I to the Second Report setting out the particulars of the KERP, is sealed until further order of this Court. The Company is directed to file with the Commercial List office a physical copy of the sealed material in a sealed envelope marked: “Confidential and not to form part of the public record subject to further order of this Court”.
31. Finally, I am satisfied that the activities and the conduct of the Proposal Trustee should be approved. There are good policy and practical reasons for this Court to approve the activities during the proceeding: *Target Canada Co. (Re)*, 2015 ONSC 7574; *Triple-I Capital Partners Limited v. 12411300 Canada Inc.*, 2023 ONSC 3400 at para. 66; *KEB Hana as Trustee v. Mizrahi Commercial (THE ONE) LP et al.*, 2024 ONSC 1678 at para. 40; and *Shop.ca Network Inc. (Re)* (15 July 2016) Toronto CV-31-2131992 (Ont. S.C.J. [Commercial List]) Endorsement dated July 15, 2016.
32. I am satisfied that the activities of the Proposal Trustee are consistent with its mandate, and have been appropriate and reasonable with a view to the objective of this proceeding and the goal of maximizing recovery for stakeholders.
33. For all of the above reasons, the relief sought is granted. The order I have signed today is effective at 12:01 AM tomorrow, April 16, 2024, without the necessity of issuing and entering, although any party may take out the order through the Commercial List office if necessary.
34. Mr. Hatnay appears today on behalf of a number of terminated employees to advise that they are bringing a motion for the appointment of Representative Counsel. I will address the timetabling for that motion, including the delivery of materials and a hearing date, at a **case conference to be conducted next Wednesday, April 24 at 9:00 AM via Zoom (not 9:30 AM).**

Olson, J.

This is Exhibit "E" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

The Body Shop International Limited (in Administration)

The Administrators' Proposals

4 April 2024

Contents and abbreviations

Section	Content
1.	Introduction and circumstances giving rise to the appointment of the Administrators
2.	Conduct of the administration
3.	The Administrators' remuneration, expenses and pre-administration costs
4.	Estimated outcome for the creditors
Appendix	Content
A.	Statutory information about the Company and the administration
B.	Administrators' Receipts & Payments Account
C.	The Administrators' remuneration, expenses and costs information <ul style="list-style-type: none"> ▪ Schedule of work ▪ FRP disbursement policy ▪ Fee estimate ▪ FRP charge out rates
D.	Schedule of pre-administration costs
E.	Details of the financial position of the Company

The following abbreviations are used in this report:

The Administrators	Anthony John Wright, Alastair Rex Massey and Geoffrey Paul Rowley of FRP Advisory Trading Ltd
Aurelius	The Aurelius Group
The Company/TBSIL	The Body Shop International Limited (in Administration)
CoCo	Company owned; Company operated
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
FoFo	Franchise owned; Franchise operated
FRP	FRP Advisory Trading Limited
HMRC	HM Revenue & Customs
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
L'Oreal	The L'Oreal Group
Natura	Natura Cosméticos S.A.
QFCH	Qualifying Floating Charge Holder
Secured creditors	ALMA24 Ltd and Aurelius IV UK Acquico Seven Ltd
SIP	Statement of Insolvency Practice
TBS	The Body Shop
TBSAH	The Body Shop At Home

1. Introduction and circumstances giving rise to the appointment of the Administrators

On 13 February 2024, the Company entered administration and Anthony John Wright, Alastair Rex Massey, and Geoffrey Paul Rowley were appointed as Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The proposals are deemed delivered four business days after they are dated.

Certain statutory information about the Company and the administration is provided at **Appendix A**.

Background information regarding the Company

The Body Shop International Limited, trading as The Body Shop, is a cosmetic, skin care and perfume manufacturer and retailer.

The Company was established by the late Dame Anita Roddick in 1976 and originally traded from its flagship store in Brighton, East Sussex.

Building its reputation on ethical values, bringing awareness of key issues such as rainforest depletion, animal testing and fairtrade, the Company was a model of success, growing its footprint both in the UK and internationally via franchises.

However, by the late 1990's, with a ban on animal testing in the cosmetics industry and several competitor brands also having adopted the same environmental and natural values to their products, the Company was no longer offering a distinctive product at a price that was agreeable to the consumer.

In 2006, the Company was sold to the L'Oreal Group, who deviated from the core values that drove the brands earlier success, selling its products like any other mass beauty brand, and leading to declining sales and profitability.

L'Oreal subsequently sold the Company to Natura in 2017 and whilst Natura attempted to return the Company to its founding principles, they were ultimately unsuccessful in regaining consumer interest.

The Aurelius Group bought the business from Natura on 29 December 2023.

The following charges are registered at Companies House:

- A fixed charge registered on 8 January 2024 in favour of Aurelius IV UK Acquico Seven Limited.
- A fixed charge registered on 8 January 2024 in favour of Aurelius IV UK Acquico Seven Limited.
- A fixed and floating charge registered on 9 January 2024 in favour of Aurelius IV UK Acquico Seven Limited.
- A fixed and floating charge registered on 2 February 2024 in favour of Alma24 Limited.
- A fixed charge registered on 22 March 2024 in favour of Aurelius Lion Three Limited.

Retail overview

The Company operated from 197 leased stores across the UK.

E-Commerce, enabling customers to easily browse and purchase products through the Brand.com (website) in more than 70 countries.

Wholesale represents sales through platforms such as Ulta and Amazon in the US but remains an emerging market.

The Body Shop at Home (TBSAH) sells through a direct-selling channel, which grew substantially during COVID, delivering strong profit. A post-COVID decline has driven losses in 2022 and the channel is subsequently in the process of being discontinued.

The Body Shop operated globally through a mixture of FoFo (franchise owned, franchise operated) and CoCo (company owned, company operated) markets. The Body Shop operated in 20 CoCo markets and 68 FoFo markets.

The head franchise partners represent a significant portion of the Company's overall turnover, and this predominantly arises through franchise fees payable and the sale of stock to these partners. Management had identified this area of the business as a significant opportunity for future growth and the intention was to transition several of the successful CoCo markets to FoFo markets over time.

1. Introduction and circumstances giving rise to the appointment of the Administrators

In the twenty CoCo markets, their financial performance was mixed and due to how the Company operated these markets, any losses were cash funded by the Company with a market support payment also becoming due at year end in respect of loss-making markets to ensure compliance with the transfer pricing policy put in place in conjunction with the Company's advisers.

Prior to the Administrators' appointment, the Company entered into a sale and purchase agreement dated 28 January 2024 with ALMA24 with the intention of transferring several subsidiaries ownership out of the group.

The subsidiaries purportedly subject to this transfer were as follows:

- The Body Shop Japan Co., Ltd.
- The Body Shop Beteiligungs-GmbH
- The Body Shop Cosmetics Ireland Limited
- The Body Shop Luxembourg Sàrl
- G A Holdings (Guernsey) Limited
- GA Holdings (1979) Limited
- The Body Shop GmbH
- B.S. Dammark A/S
- The Body Shop Worldwide Limited
- The Body Shop Svenska AB
- The Body Shop Portugal, S.A.
- The Body Shop España SAU
- The Body Shop (Shanghai) Commercial and Trading Co., Ltd.
- The Body Shop (France) Sàrl (a subsidiary of The Body Shop Worldwide Limited)
- The Body Shop Germany GmbH (a subsidiary of The Body Shop Beteiligungs – GmbH)
- The Body Shop Belgium B.V. (a subsidiary of The Body Shop Luxembourg Sàrl)

These subsidiaries were loss-making and therefore the terms of the sale were that amounts would become payable to ALMA24 from the Company at the earlier of either (i) the 5-year anniversary of the sale and purchase agreement or (ii) the Company's

insolvency. The Company agreed to grant fixed and floating charge security which cover the amounts due under the agreement for the transfers of the subsidiaries.

As set out below, at the point of the Administrators' appointment, the transfer of certain of the above-mentioned subsidiaries had not been perfected.

Management Structure

The management structure consists of one Director, Graham Wiseman, who was appointed on 8 January 2024 shortly after Aurelius acquired the Company (and following the resignation of Ian Bickley (ex-CEO)).

At the time of our appointment, the Director was supported by:

- Tyler Reddien – CSO, CFO and CTO*
- Katrina Wright – Global People Director*
- Qas Qayyum – Global Head Franchise Director
- Sue Nock – Global Operations Director
- Aurelius operational and transition team who are supporting trading

** These people have since handed in their resignations*

The Company trades from two main sites in the UK being Tooley Street in London, and a site in Watersmead, Littlehampton along with its direct store network spread across the country.

Financial Position

Following the completion of the acquisition it became apparent that the short-term cash position of the Company was adverse to that that had been forecast, driven by poor results in the 2023 financial year and the unwinding of the Company's working capital.

Prior to the sale to the Aurelius Group, stock levels were depleted over the peak Christmas trading period. Meanwhile, trade creditor arrears increased, and a \$76 million revolving credit facility was repaid. As a result, January 2024 saw a higher requirement to fund working capital plus certain exceptional costs that were not foreseen.

1. Introduction and circumstances giving rise to the appointment of the Administrators

Following completion of the sale, the Company was informed by its bankers that they intended to cease providing banking facilities, whilst simultaneously seeking cash backing in respect of guarantees provided by the Company (approximately £8.9 million) and ceasing the cash pooling arrangements enjoyed by the Group resulting in nearly £6 million of blocked cash. These actions ultimately resulted in a substantial unplanned cash outflow from the business.

These events combined gave rise to a forecast peak funding requirement for the company in excess of £100 million, significantly greater than the requirement identified as part of the acquisition process (Company-prepared budgets suggested a peak requirement of £63 million in FY24). The substantial difference between the anticipated funding requirements and the reality of the Company's position (following the adverse developments outlined in this section) combined with the business' poor trading performance meant that the shareholders could not commit to the required level of funding.

Events leading to the appointment of the Administrators

Anthony John Wright, Alastair Rex Massey, and Geoffrey Paul Rowley of FRP Advisory Trading Limited were initially engaged by the Aurelius Group on 30 January 2024.

Informal discussions took place with regards to the financial position and the restructuring options available.

Following the issuing of an options paper prepared by FRP on 9 February 2024, it was recommended that the Company's Director place the Company into Administration immediately to protect the Company's assets for the benefit of creditors by the statutory moratorium provided by filing a Notice of Intention to appoint a Joint Administrator.

Due to the urgency to protect the remaining cash at bank, the Administrators pre-appointment involvement was limited. However, the scope of work undertaken was as follows:

- Providing advice to the senior secured creditor with respect to the financial position of the Company and the options available to it; and

- Providing ongoing advice to the senior secured creditor of the Company in respect of the impending Administration.

At this stage FRP's primary duty of care was to the Company which would include consideration of the directors' fiduciary duties to act in the overall best interest of the Company and its creditors. Until the appointment of Administrators, the director continued to be responsible for the Company and its affairs and neither FRP nor its insolvency practitioners advised the director personally, or any parties interested in purchasing the business and assets of the Company.

Prior to our appointment as Administrators, we are required to consider any ethical and conflict issues in relation to the appointment and provided we are satisfied that there are no matters arising that would preclude us consenting to act we must provide a statutory statement and consent to act in which any prior relationship between the proposed Administrators and the Company is summarised, this statement is subsequently filed in Court.

Following our appointment as Administrators our duty of care is to all the Company creditors as officers of the Court and agents of the Company, taking over from the Board the responsibilities of managing the affairs, business, and property of the Company.

Appointment of the Administrators

A Notice of Intention to appoint administrators was filed on 12 February 2024, which provided the Company with a 10-business day moratorium. Consent was sought from the QFCH's upon the filing of the Notice of Intention which was provided.

Anthony John Wright, Alastair Rex Massey, and Geoffrey Paul Rowley of FRP Advisory Trading Limited were duly appointed Administrators on 13 February 2024.

2. Conduct of the administration

The objective of the administration

The Administrators believe a rescue of the Company via a CVA process under Objective (a) of Paragraph 3(1) of Schedule B1 to the IA'86, can be achieved and is therefore being pursued.

If this is not possible, the Administrators will seek a sale of the business and assets which will enable objective (b) of Administration, to obtain a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in Administration), to be achieved. In the event of a sale of only the Company's assets then objective (c) of Administration, to realise property in order to make a distribution to one or more secured or preferential creditors, to be achieved.

The Administrators' actions to date

Details of work already undertaken since appointment or anticipated will be undertaken is set out in the schedule of work attached at **Appendix C**.

General Administration strategy

The Administrators have worked closely with the Company's management team to maintain trade while options were explored to ensure the value of the business was preserved for creditors.

Initial Strategy Implementation

The initial strategy of the Administration was to continue to trade the business for a period of 6-8 weeks to stabilise the business and enable an assessment of the ability to rescue the Company as a going concern.

During this period, the Administrators downsized the business by reducing store head count, closing underperforming stores and to focus on the UK market, Ecommerce, Head Franchise, and Wholesale channels.

To determine whether the Company could continue to trade, the Administrators prepared a 13-week cashflow forecast.

The Company had approximately £9m of cash reserves at the date of the appointment and the forecast suggests this will increase to approximately £14m over the 13-week term with broad assumptions around sales and payments to suppliers including expected ransom payments.

Matters attended to in pursuing the strategy include:

- Liaising with the key personnel to establish systems and procedures that would enable the Company to generate income during the trading period.
- Contacting the Company's key suppliers providing consignment and other stock to advise them of the Administration to ensure stock was retained to enable continued trading.
- Contacting the Company's merchant service providers to advise them of the appointment and ensure they would work with the Administrators to continue providing their facilities during the trading period.
- Contacting the stores landlords and utility providers to advise them of the appointment and ensure they would continue to provide their services.
- Ongoing discussions with the Company's logistic suppliers in respect of stock held at various locations and arranging for the release of the stock as appropriate.
- Reviewing the position in respect of the Company's bonded warehouse / VAT status.
- Engaging with the Company's key digital media services providers, to ensure services were not terminated as the website was the only outlet for customers to place orders and enable the business to continue to trade.
- Engaging with other key stakeholders as required.
- Reviewing information for the potential CVA proposal.
- Engaging with solicitors to review the security position.
- Engaging with the Company's bank to ensure sales receipts were diverted to the Administration estate bank accounts.

2. Conduct of the administration

FoFo

The Administrators have spoken with the significant franchise partners and spent time with the team responsible for managing the markets. There was approximately £21m owed from franchise partners as at the date of the Administrators' appointment.

The adverse media globally pertaining to the Company's administration has caused operational difficulties for certain of the franchise partners and the Administrators, where possible, have sought to provide reassurance that the Company's business is continuing, and the intention is to seek to minimise any operational disruption. This has also involved discussions with certain key suppliers who were procured by the Company but the benefit of the services were provided to franchise partners.

The Administrators have monitored debtor collections and assessed new orders to ensure the Company is not exposing itself to undue credit risk with the view to maximising realisations and preserving the value in these key relationships.

CoCo

The inter-company position between the Company and its subsidiaries is complex, due to the transfer pricing, inter-company loans, cash pooling and general trading positions. Due to the cash pooling arrangements, which were in place for several years prior to the Administrators' appointment, and general seasonality of the business, several of the Company's subsidiaries have become financially distressed and entered insolvency/restructuring processes in the relevant jurisdictions.

The Administrators have liaised with the local office holders who in certain circumstances and seeking to achieve a form of rescue of the business over which they are appointed. The Administrators have worked with these office holders in a constructive manner to seek to preserve value where possible.

It became apparent shortly following the Administrators appointment that several subsidiaries which were due to be transferred pursuant to the ALMA24 transaction had not formally transitioned from Company ownership as in several jurisdictions,

certain local law perfection steps had not yet been taken. The Administrators have worked with local counsel to understand the position and, where necessary, sought to appoint directors to take control of these businesses (as the majority of the Board had resigned on the announcement of the ALMA24 transaction).

Employees

Following consultation with the Company's Human Resources team, on 20 February 2024, the Administrators announced the redundancy of 329 head office and distribution centre staff with immediate effect.

These redundancies were made to downsize the Company and move away from the management of global operations, focusing on the more profitable areas of the business such as UK market, Ecommerce, Wholesale, and Head Franchise.

It was also announced on 20 February 2024, that 7 loss making retail stores would close and associated staff would be made redundant (assuming they could not be redeployed elsewhere within the estate).

Following a review of recent and forecast financial performance, along with various other factors such as capex requirements, lease expiry dates, abnormal recent performance trends and potential dilapidation claims, we announced the closure of a further 75 retail stores on 1 March 2024. This impacted a further 425 staff members at those stores, with a phased closedown having now been completed.

Insurance

Following the appointment, Marsh our insurance brokers were advised, and open cover arranged. Steps were taken to review the Companies existing insurances and ensure that the Administrators had the necessary level of insurance cover in place to fulfil their responsibilities. Marsh Limited were engaged to review the policies and advise accordingly.

Assets

The Administrators' engaged specialist valuation agents Gordon Brothers to provide a valuation of the Company's assets.

2. Conduct of the administration

Whilst we are still awaiting their formal valuation report, their indicative valuations based on information that has been provided to them by the Company are as follows:

	In Situ	Ex Situ
Plant & Equipment	£3.8m	£570k
Stock (UK)	£15.4m	£3.1m
Stock (Overseas)	£7.8m	£1.5m
Leasehold properties	tba	Tba
IP - Brand	£7.9m	£7.9m

Intellectual Property

Subsequent to the acquisition of the Company by Aurelius IV UK Acquico Eight Limited steps were taken to place certain intellectual property assets into a separate entity in anticipation of a financing transaction to support the working capital requirement of the company and the wider group. The financing did not take place when the overall funding requirements of the group were established. Following the Administrators' appointment, the Administrators obtained relevant comfort and confirmations that the intellectual property assets remain available to the Company and no dealings will occur with the same absent the Administrators' consent.

Debtors

On appointment, the Company had debtors of approximately £21m, these debts predominately relate to franchise partners. Since appointment £16m has been collected.

Cash at Bank

On the Administrators appointment, the Company's bank account balances totalled approximately £9m and we are liaising with the Bank to gain access to these funds.

The bank has also given guarantees to a number of the subsidiaries landlords which has been cash backed by the Company, these guarantees total £8.9m. These funds will not be released in case the guarantees are called upon.

CVA

The Administrators have been liaising with the Company as to the basis on which a CVA would be proposed. We have been provided with trading forecasts which are based on ongoing discussions with key suppliers, landlords and other relevant stakeholders.

The forecasts are currently being assessed while discussions are being finalised. Once finalised we will start the CVA drafting process in conjunction with the Administrators' solicitors Jones Day. Once we are satisfied that we are in receipt of a workable CVA proposal we will revert to creditors.

Administrators' future work

Following approval of the Administrators proposals the Administrators will continue to conduct the Administration to achieve the purpose of the administration. Key matters to be undertaken include:

- Continue to trade the business with the assistance of the Company's management team.
- Ongoing communication with the Company's key suppliers.
- Continue to monitor and review daily cashflow forecasts.
- Review the negotiations with landlords.
- Explore the potential for a CVA to enable the Company to survive.
- Should a CVA not be possible we will proceed with a sale of the business and assets.
- Investigate the affairs of the Company by reference to applicable 'clawback' periods and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company.
- Distribute realisations to the secured and preferential creditors where applicable.
- Seek an extension of the administration if needed.
- Ensure all statutory and compliance matters are attended to.
- Pay all administration expenses and bring the administration to an end when deemed appropriate by the Administrators.

2. Conduct of the administration

Receipts and Payments Account

A copy of the Joint Administrators' Receipts and Payments Accounts for the period of this report are attached as **Appendix B**.

Details of the financial position of the Company

The director of the Company was asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the IA'86 as at the date of the Administration. This is still awaited as it is currently being prepared and reviewed by the director.

A draft financial position of the Company, which is primary based on the latest practical date, prepared from information available to the Joint Administrators and including a list of creditors' names and addresses and balances which are subject to confirmation by the director is provided at **Appendix E**.

As and when the director's Statement of Affairs is received it will be filed with the Registrar of Companies.

Matters requiring investigation

We are required as part of our duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted. We are also required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business and Trade on the conduct of the directors.

If you have any information or concerns regarding the way in which the Company's business has been conducted or have information regarding potential recoveries for the estate, please contact us as soon as possible.

The end of the administration

At present the Administrators are expecting to propose a CVA to the Company's creditors allowing the Company to be rescued and exit from Administration. This

would allow the Administration to end with the purpose of Administration having been achieved pursuant to Paragraph 80 of Schedule B1 to the IA'86 and the Insolvency Rules. Alternatively, the Administrators could apply to Court pursuant to Paragraph 79 of Schedule B1 to the IA'86, to end the Administration. The proposed CVA Supervisors are to be the Joint Administrators. Creditors may nominate different supervisors when considering whether to approve the CVA proposals.

In the event that a CVA cannot be agreed, the Joint Administrators will proceed with a sale of the business and assets.

The Administration will end automatically after 12 months from the date of appointment of the Administrators unless it ends sooner. This period can be extended with consent of the creditors for up to 12 months or longer by application to the Court as required.

In the event that a CVA is not approved and the Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved. If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors, but it is still appropriate for the Company to enter liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

2. Conduct of the administration

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

Decision of creditors by correspondence

The Administrators are required to seek a decision from the Company's creditors under Paragraph 51 of Schedule B1 to the Insolvency Act 1986 on the following matters:

- Approval of the Administrators' proposals, with or without modifications; and
- The appointment of a creditors' committee.

The decision is being sought by means of voting by correspondence, in accordance with the Insolvency Rules.

If, as a result of the vote, a creditors' committee is appointed, the following will require the determination of the creditors' committee:

- The basis of the Administrators' remuneration.
- Approval of the payment of the Administrators' disbursements for mileage costs.
- Approval of the Administrators' pre-appointment costs being met as an expense of the administration.
- The approval of the Administrators' discharge from liability in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986.

If a creditors' committee is not appointed (which requires 50% of the creditors voting by value to vote in favour of it together with the nomination of at least 3 members

entitled to sit on the committee) the above will be determined by the creditors.

To vote by correspondence creditors must have lodged a completed Proof of Debt form, which is considered by the Administrators and accepted for voting purposes, either in whole or in part, and return with the completed voting form by the decision date shown on that form.

Creditors whose claims are wholly secured are not entitled to vote. A decision is made if, at the decision date, a majority in value of those who have responded have voted in favour. However, a decision is not made if those voting against it include more than half in value of creditors to whom notice of the vote by correspondence was sent and who are not connected with the Company. Notice of the decision will be sent to creditors after the decision date.

The Administrators must, however, summon a physical meeting if requested to do so by the required minimum number of creditors. The required minimum number is any one of the following:

- 10% in value of the creditors
- 10% in number of the creditors
- 10 creditors

The request must be made in writing within 5 business days of the date on which the notice of decision by correspondence is delivered, in accordance with the Insolvency Rules.

3. The Administrators' remuneration, expenses and pre-appointment costs

Administrators' remuneration

A schedule of the work to be undertaken during the administration is set out at **Appendix C**. An estimate of the expenses likely to be incurred by the Administrators is shown opposite and below. Assumptions made in preparing the summary of work, estimated expenses and the fees estimate where a time cost resolution is proposed are set out in the schedule of work.

The Administrators' remuneration will be drawn from the Company's assets, and it is proposed that it will be charged by reference to the time incurred in attending to matters arising. Further details of how this will be calculated is set out below. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case. The Administrators' fees for dealing with the assets subject to a fixed charge will be agreed with the Secured Creditors.

Should the Company subsequently be placed into liquidation and the Administrators appointed as Liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the basis of the Liquidators' remuneration, in accordance with the Insolvency Rules. The Liquidators' will seek further creditor approval for the quantum of fees to be drawn in the liquidation where necessary.

Whichever fee basis is approved by creditors and utilised to calculate the level of remuneration that can be drawn by the Administrators this will include all direct costs of providing professional services by the Administrators and his/her staff in dealing with The Body Shop International Limited (In Administration), but will exclude any expenses that may be paid to an associate or which have an element of shared costs (known as category 2 expenses), which require separate approval from creditors before they can be paid.

Where payments are to be made to associates of the office holder or their firm, creditors' approval to such payments must be received prior to payment being remitted. We can confirm no payments are being made to associates of the office holder or their firm.

The Body Shop International Limited (in Administration)
The Administrators' Proposals

Where there is an element of costs being shared between this insolvency estate and other parties, and determination of how those costs are to be allocated is being decided by the office holder, creditors' approval to such payments must be received prior to payment being remitted. We can confirm no shared costs are currently envisaged.

Name of supplier	Service being provided	Basis of costs	Estimate of total costs*
Jones Day	Legal Advice	Time costs	£2,500,000
Gordon Brothers	Asset valuation	Fixed fee	£72,500
Gordon Brothers	Store Closure	Time costs	£300,000
CBRE	Landlord Advice	Fixed Fee	£200,000
Bird & Bird LLP	Landlord Advice	Time costs	£350,000
Knights	Landlord Advice	Time costs	£150,000
Baker McKenzie	Intellectual Property Advice	Time costs	£250,000
Courts Advertising	Statutory advertising	Fixed fee	£500
Marsh Insurance	Insurance	Premium	£10,000
Accurate Mailing	Printing & postage	Per letter	£30,000

* 100% of the above costs will be paid from the Company's estate

3. The Administrators' remuneration, expenses and pre-appointment costs

Remuneration charged by reference to the time incurred in attending to matters arising

The Administrators' remuneration which is proposed to be charged by reference to time incurred is set out on the fee estimates attached at **Appendix C**. Time costs incurred to date total £1,710,694. The time charged is based on computerised records capturing time charged by the Administrators and my staff in dealing with the conduct of those aspect of the case being charged on a time cost basis. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification, and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at **Appendix C**.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

Pre-administration costs charged or incurred by the Administrators

The Company resolved to pay FRP the sum of £50,000 plus VAT per week, for assisting with the placing of the Company into administration. An amount of £76,996.50 was paid before administration by the Company.

Attached at **Appendix D** is a statement of pre-administration costs charged or incurred by the Administrators; the Administrators are seeking to obtain approval from creditors for the payment of this amount and a stand-alone separate resolution is included on the proxy form attached.

The Body Shop International Limited (in Administration)
The Administrators' Proposals

Creditors' ability to challenge the Administrators' remuneration and expenses

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report.

Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <https://www.frpadvisor.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/> and select the one for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors

Estimated Outcome Statement

Based on the information available to date and the assumptions made we set out below the anticipated the outcome for creditors:

Outcome for Secured Creditor

A legal review is taking place in relation to the charges registered at Companies House in favour of Aurelius IV UK Acquico Seven Limited and Alma24 Limited and the obligations secured by these charges, as is standard practice in any administration.

Aurelius have indicated they would be supportive of a CVA to rescue the business. If a CVA is approved, in order to support the rescue of the Company, it is their intention not to advance a claim in respect of the charges registered against the Company in their favour.

Outcome for Preferential Creditors

It is currently estimated that preferential creditors will total approximately £600,000 being the employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation.

On approval of a CVA, we anticipate preferential creditors will be repaid in full.

If a CVA is not approved, we still anticipate preferential creditors will be paid in full.

Outcome for Secondary Preferential Creditors

From 1 December 2020 HMRC ranks as a secondary preferential creditor in respect of the following:

- VAT
- PAYE (including student loan repayments)
- Construction Industry Scheme deductions; and
- Employees' NI contributions

It is currently estimated that the secondary preferential creditors will total £6,249,000.

On approval of a CVA, we anticipate secondary preferential creditors to be repaid in full.

If a CVA is not approved, we still anticipate secondary preferential creditors will be paid in full.

Outcome for Unsecured Creditors

On approval of a CVA, there will be a dividend available to unsecured creditors.

Based on information available, even if the CVA is not approved, it is currently estimated that there will be sufficient funds available to make a distribution to unsecured creditors in due course. This distribution will be paid by a subsequently appointed Liquidator, the costs of the liquidation cannot at this stage be estimated and therefore it is not possible to estimate the level of distribution that may be made.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

The security position is being reviewed and we will advise in due course if the prescribed part is applicable.

Appendix A

Statutory information about the Company and the administration

COMPANY INFORMATION:

Other trading names:	The Body Shop
Date of incorporation:	1 November 1976
Company number:	01284170
Registered office:	FRP Advisory Trading Limited 2nd Floor, 110 Cannon Street London EC4N 6EU
Previous registered office:	Watersmead Littlehampton West Sussex BN17 6LS
Business address:	Various
Directors:	Graham Wiseman (appointed 8 January 2024) Peter O'Byrne (resigned 2 February 2024) Ian Bickley (resigned 4 January 2024) Itamar Filho (resigned 29 December 2023) Tyler Reddien (resigned 9 January 2024) Guilherme Castellan (resigned 29 December 2023)
Company secretary:	-

The current director does not have a shareholding in the Company.

ADMINISTRATION DETAILS:

Names of Administrators:	Anthony John Wright, Alastair Rex Massey and Geoffrey Paul Rowley
Address of Administrators:	FRP Advisory Trading Limited 2nd Floor, 110 Cannon Street London EC4N 6EU
Date of appointment of Administrators:	13 February 2024
Court in which administration proceedings were brought:	The High Court of Justice
Court reference number:	CR-2024-000858
Date of notice of intention to appoint Administrators presented to Court:	12 February 2024
Administration appointment made by:	Director

Consent to the notice to appoint an Administrator provided by the QFCH:

Holder of Qualifying Floating Charge	Date of consent
1. ALMA24 Limited	12 February 2024
2. Aurelius Iv UK Acquico Seven Limited	12 February 2024
3. Aurelius Iv UK Acquico Seven Limited	12 February 2024
4. Aurelius Iv UK Acquico Seven Limited	12 February 2024

Appendix A

Statutory information about the Company and the administration

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The directors have confirmed the Company's centre of main interest has been in the UK and accordingly the proceedings will be COMI proceedings as defined in the Insolvency Rules.

Extracts from the financial statements available are summarised below:

Period Ended	Turnover £m	Gross Profit £m	Net Profit/ (Loss) £m	Dividend paid £m	P & L a/c c/fwd £m
31-Dec-2022	408	212	(76)	12	(60)
31-Dec-2021	487	291	7	7	16
31-Dec-2020	507	303	19	-	13
31-Dec-2019	465	264	(22)	10	(19)

Appendix B

Administrators' Receipts & Payments Account

The Body Shop International Limited (in Administration) Joint Administrators' Trading Account		
	From 13/02/2024 To 30/03/2024 £	From 13/02/2024 To 30/03/2024 £
POST APPOINTMENT SALES		
Sales	16,575,988.86	16,575,988.86
	<u>16,575,988.86</u>	<u>16,575,988.86</u>
DIRECT COSTS		
Stock	454,103.36	454,103.36
Stock - ransom payments	299,084.04	299,084.04
Direct freight	86,700.88	86,700.88
	<u>(839,888.28)</u>	<u>(839,888.28)</u>
OTHER DIRECT COSTS		
Direct Wages	6,843,738.78	6,843,738.78
Direct Expenses	25,237.99	25,237.99
Court Payroll Deductions	1,157.45	1,157.45
	<u>(6,870,134.22)</u>	<u>(6,870,134.22)</u>
TRADING EXPENDITURE		
Packaging	50,010.43	50,010.43
Utilities	16,349.91	16,349.91
IT Suppliers	1,368,465.99	1,368,465.99
Repairs & Maintenance	33,557.83	33,557.83
HMRC	1,258,872.34	1,258,872.34
Postages	53,911.80	53,911.80
Logistics costs	748,707.41	748,707.41
Engineering	33,333.33	33,333.33
Cash in Transit Services	51,800.50	51,800.50
Facilities expense	261,745.21	261,745.21
Marketing	16,880.94	16,880.94
Other costs	15,393.73	15,393.73
Ambassador costs	23,624.31	23,624.31
Intercompany Transfer	619,119.92	619,119.92
Ransom Payments	998,790.54	998,790.54
Employee Expenses	1,152.78	1,152.78
HF - Marketing Costs	9,650.00	9,650.00
VAT - Irrecoverable	8,378.73	8,378.73
	<u>(5,569,745.70)</u>	<u>(5,569,745.70)</u>
TRADING SURPLUS/ (DEFICIT)	3,296,220.66	3,296,220.66

The Body Shop International Limited (in Administration) Joint Administrators' Summary of Receipts & Payments		
	From 13/02/2024 To 30/03/2024 £	From 13/02/2024 To 30/03/2024 £
ASSET REALISATIONS		
Cash at Bank	1,000,000.00	1,000,000.00
Cash in transit	3,441,157.87	3,441,157.87
Debtor receipts	12,850,062.25	12,850,062.25
TRADING SURPLUS/(DEFICIT)	<u>3,296,220.66</u>	<u>3,296,220.66</u>
	20,587,440.78	20,587,440.78
COST OF REALISATIONS		
Director appointment fees	22,500.00	22,500.00
Other Property Expenses	28,319.73	28,319.73
	<u>(50,819.73)</u>	<u>(50,819.73)</u>
	20,536,621.05	20,536,621.05
REPRESENTED BY		
Current Floating Int Bearing		20,926,810.83
Rent Deposit Int Bearing		6,000.00
Vat Payable - Floating		(933,106.61)
Vat Recoverable - Floating		536,916.83
		20,536,621.05

Appendix C

The Administrators' estimated remuneration, expenses and costs information

The Body Shop International Limited (in Administration)
Joint Administrator's fee estimate as at 4 April 2024

Activity	Hours	Total Cost (£)	Average hourly rate £
ADMINISTRATION	770.3	407,358	529
ASSET REALISATION	332.0	189,748	572
STATUTORY COMPLIANCE AND REPORTING	53.5	31,656	592
TRADING	5,676.8	3,314,327	584
INVESTIGATION	57.1	44,180	774
CREDITORS	1,399.3	689,003	492
LEGAL AND LITIGATION	0.0	0	275
TOTAL	8,288.9	4,676,272	

Hourly Charge out rates:	
	£
Appt taker/partner	675-775
Managers/directors	505-610
Other professional	315-440
Junior Professional/support	200-275

The above fee estimate is based on the assumptions contained in the accompanying schedule of work.

The office holder anticipates that it will be necessary to seek further approval. The reasons it may be necessary to seek further approval are set out in the documentation accompanying this estimate.

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory's charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <https://www.frp.advisory.com/legal-and-regulatory-notices/information-creditors-insolvency-proceedings/>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

Appendix C

The Administrators' estimated remuneration, expenses and costs information

The Body Shop International - Post (In Administration)

Time charged for the period 13 February 2024 to 31 March 2024

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrlly Rate £
Administration and Planning	80.50	63.75	163.40	9.05	316.70	166,684.00	526.32
A&P - Admin & Planning			15.00		15.00	5,748.00	383.20
A&P - Strategy and Planning	51.75	38.20	57.80		147.75	86,332.25	584.31
A&P - Case Accounting - General	8.10		0.90		9.00	6,591.00	732.33
A&P - Case Accounting		0.20	6.20	5.05	11.45	3,920.25	342.38
A&P - Case Control and Review	10.00				10.00	7,750.00	775.00
A&P - General Administration	0.50		8.80	3.70	13.00	4,419.00	339.92
A&P - Travel		24.35	33.50		57.85	25,261.75	436.68
A&P - Insurance			0.70		0.70	283.00	404.29
A&P - Media	9.40				9.40	7,285.00	775.00
D&C - IT - Discovery / Collection	0.75	1.00	40.50	0.30	42.55	19,093.75	448.74
Asset Realisation	79.00	28.20	43.15		150.35	97,253.00	646.84
ROA - Asset Realisation	21.25	14.30	2.20		37.75	26,139.75	692.44
ROA - Freehold/Leasehold Property			39.75		39.75	17,410.00	437.99
ROA - Sale of Business	18.60	1.30	0.20		20.10	15,286.00	760.50
ROA - Legal-asset Realisation	35.35	12.60			47.95	35,082.25	731.64
ROA - Asset Realisation Floating	1.00				1.00	775.00	775.00
ROA - Stock/ WIP	2.00		1.00		3.00	1,940.00	646.67
ROA - Licence to Occupy	0.80				0.80	620.00	775.00
Creditors	41.75	230.60	250.25	82.15	604.75	283,391.25	468.61
CRE - Employees	29.05	85.70	102.05	53.70	270.50	125,782.25	465.00
CRE - Secured Creditors	4.50	8.20	0.90		13.60	8,840.50	650.04
CRE - Pensions - Creditors			2.45		2.45	955.50	390.00
CRE - Unsecured Creditors	1.60	8.70	89.90	20.25	120.45	44,399.50	368.61
CRE - TAX/VAT - Pre-appointment				8.20	8.20	2,255.00	275.00
CRE - CUSTOMERS			0.60		0.60	222.00	370.00
CRE - ROT	0.50		0.30		0.80	504.50	630.63
CRE - Legal-Creditors	2.50				2.50	1,937.50	775.00
CRE - Landlord	3.20	90.50	27.55		121.25	69,267.00	571.27
Analysis & Modelling	0.40	37.50	26.50		64.40	29,227.50	453.84
Investigation	20.85		0.10		20.95	16,197.75	773.16
INV - Investigatory Work	5.25		0.10		5.35	4,107.75	767.80
INV - Legal - Investigations	15.60				15.60	12,090.00	775.00
Statutory Compliance	2.00	14.55	11.90		28.45	13,707.25	481.80
STA - Appointment Formalities		1.25	7.80		9.05	3,549.25	392.18
STA - Pensions- Other			1.20		1.20	444.00	370.00
STA - Statutory Compliance - General	2.00	3.05	2.60		7.65	4,420.75	577.88
STA - Statutory Reporting/ Meetings		10.25	0.30		10.55	5,293.25	501.73
Trading	527.90	1,041.10	447.80		2,016.80	1,133,461.00	562.01
TRA - Case Accounting - Trading			33.10		33.10	12,331.00	372.54
TRA - Trading - General	497.15	886.30	400.95		1,784.40	1,011,423.75	566.81
TRA - Trading forecasting/ Monitoring	9.50	64.00	0.90		74.40	42,133.50	566.31
TRA - Trade-sales/ Purchase	5.90	89.40	8.95		104.25	53,301.50	511.29
TRA - Legal-trading	15.35	1.40	3.90		20.65	14,271.25	691.10
Total Hours	752.00	1,378.20	916.60	91.20	3,138.00	1,710,694.25	545.15

Disbursements for the period
13 February 2024 to 31 March 2024

	Value £
Category 1	
Bonding	800.00
Congestion Charge	5.00
Hotels	3,984.65
Parking	10.00
Postage	4,538.53
Subsistence	1,876.01
Taxis	281.27
Train	581.66
Category 2	
Car/Mileage Recharge	1,503.81
Grand Total	13,580.93

Mileage is charged at the HMRC rate
provided at the time the cost was incurred

Appendix C

The Administrators' estimated remuneration, expenses and costs information

FRP Advisory Trading Limited ("FRP")

EXPENSES POLICY

Expenses are any payment from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Details of sums paid as either expenses or disbursements will be identified in the progress reports prepared during the course of an assignment and circulated to all creditors.

Category 1 expenses:

These are payments to independent third parties who are not an associate of the office holder and where there is specific expenditure directly referable to the appointment.

Category 1 expenses may include but are not limited to items such as case advertising, storage, bonding, company searches and insurance.

Category 1 expenses can be paid without prior approval.

Category 2 expenses:

These are payment to associates or which have an element of shared costs.

With the exception of mileage FRP do not charge category 2 disbursements. Mileage payments relate to the use of private vehicles for business travel and are directly attributable to the estate. They are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred at the time of this report this is 45p per mile.

Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration whether paid directly from the estate or as a disbursement.

SUBCONTRACTED WORK

In accordance with SIP9 your attention is drawn to work that may be subcontracted during the course of administering the insolvency process. Subcontracted work is defined as work that could otherwise be carried out by the office holder or their staff. The office holder would typically subcontract work where it was considered more efficient, beneficial to the estate and/or cost effective to do so.

The officeholder may use the services of Accurate Mailing Services for the purpose of mailing out correspondence, this is particularly cost effective where large mail outs are required to stakeholders. Accurate Mailing Services possesses the requisite resources and equipment to convert electronic correspondence to hard copy correspondence, where it is required to be sent in paper form. Accurate Mailing Services add our firm's branding, collates the correspondence, and subsequently posts it to the intended recipients in a timely and reliable fashion. The costs associated with this service are based upon the quantity of letters and reports required to be posted, and number of pages involved. This is significantly more efficient and cost-effective than utilizing our own resources. Accurate Mailing Services costs start from 4p per page plus Royal Mail standard rates. Total costs incurred will be included within the disclosure of category 1 expenses as set out above and included in our progress reports

In addition, other specialists may be used for example to assist with asset realisation, for example debt collection agents, where this maybe more cost effective and result in a better asset realisation compared to utilising the office holder's staff. Solicitors may be utilised to deal with routine filings at Court or the Registrar of Companies or other statutory bodies. In deciding whether to subcontract this work the office holder will assess whether the estate is receiving value for money when compared to that same work being undertaken by the office holder or their staff. Typically, the estate will benefit where the office holder has decided to subcontract work to third parties in terms of costs of efficiency, the availability of resources as well as a potential increase in accuracy due to the use of standardised specialist procedures

Appendix C

The Administrators' estimated remuneration, expenses and costs information

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims if the business has continued to trade and/or is sold following appointment; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK

- The records received are complete and up to date
- There are no matters to investigate or pursue
- The work that may be undertaken by any subsequently appointed Liquidator has been excluded
- No financial irregularities are identified
- A committee of creditors is not appointed
- There are no exceptional queries from stakeholders
- Full co-operation of the director and other relevant parties is received as required by legislation
- There are no health and safety or environmental issues to be dealt with
- The case will be closed within 1 year

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The Administrators' estimated remuneration, expenses and costs information

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken
	General Matters	General Matters
	<p>Formulated, monitored, and reviewed the strategy for case progression.</p> <p>Dealt with administrative matters and any queries.</p> <p>Obtained the Company records to identify all relevant references and information necessary to conduct the administration.</p>	<p>Continue ongoing discussions pertaining to the strategy and ensure this is documented.</p> <p>Continue to obtain further information from the Company, as and when required.</p>
	Regulatory Requirements	Regulatory Requirements
	<p>Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations.</p> <p>Completed our internal compliance requirements of take on procedures which included consideration of professional and ethical matters and other legislation such as the Bribery Act and Data Protection Act. Also, to consider if there are any other case specific matters to be aware of prior to or on appointment, for example health and safety; environmental concerns.</p> <p>Adhered to internal and regulatory protocols as appropriate.</p> <p>Dealing with any GDPR enquiries.</p>	<p>Continue ongoing review of regulatory compliance and take any further actions necessary in accordance with the Money Laundering Regulations, Bribery Act and Data Protection Act.</p> <p>Regular reviews of the conduct of the case and the case strategy as required by the Administrators' regulatory professional body to ensure all statutory matters are attended to and to aid case management and progression.</p> <p>Continue to adherence to GDPR requirements.</p>

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Ethical Requirements	Ethical Requirements
<p>Prior to the Administrator's appointment, a review of ethical issues was undertaken, and no ethical threats were identified. Further ethical reviews are carried out periodically and no threats have been identified in respect of the management of the insolvency appointment over the period of this report.</p>	<p>Continue to review the case to ensure no ethical issues are identified.</p>
Case Management Requirements	Case Management Requirements
<p>Devised and documented a case strategy, including the decision and justification to continue to trade. This is regularly reviewed to ensure the case is progressed in a timely manner and to explore options available.</p> <p>Setup and administered administration bank accounts. Processed and recorded all receipts and payments on the Insolvency Practitioners System. Setup new payees and ensured complied with cashiers' compliance requirements. Ensured accounts were regularly reconciled to produce accurate and timely reports internally and to creditors as and when required.</p> <p>Contacted the Company's pre-appointment bankers to arrange for all receipts from the date of appointment to be remitted into the administration estate. Reviewed the bank accounts daily and arranged for a sweep of any post-appointments funds to be remitted to us. Accounted for all payments and receipts of funds. Carried out regular reconciliations of the estate bank accounts.</p> <p>Arranged for insurance of the Company's assets and liaised with our specialist insurance brokers to ensure the appropriate scope and level of cover is in place. Arranged for our brokers to attend site visits.</p> <p>Corresponded with former advisors to the Company to request third party information to assist with the administration.</p>	<p>Continue to review and document the case strategy to ensure the case is progressed, as required.</p> <p>Continue to collect all funds paid into the pre-appointment bank accounts and prepare bank reconciliations using the bank statements.</p> <p>Undertake regular reconciliations of the administration estate bank accounts to enable the production of accurate receipts and payments accounts for reporting purposes. Continue to setup new payees as and when required.</p> <p>Maintain and develop case specific paper and electronic files on behalf of the Administrators aside from other records pertaining to the Company directly.</p> <p>Conduct regular case and file reviews to monitor statutory compliance and case progression.</p> <p>Ongoing liaison with our insurance brokers to ensure correct covers are in place for the duration of the administration and facilitate any further site visits to comply with insurance requirements.</p> <p>Continue to assist our PR agents and manage any media enquiries and press releases.</p> <p>Regular meetings with the administration team and the Company's management team to advise of strategy to progress the administration.</p>

Appendix C

The Administrators' estimated remuneration, expenses and costs information

	<p>Setup and maintained files for all case-specific documentation. Updated our case diary system to ensure all statutory and other matters were settled in a timely manner and in accordance with legislation and regulations.</p> <p>Assessed the Company's IT systems and arranged for secure backups of all relevant data to be obtained.</p> <p>Liaised with the Administrators public relations advisors and prepared media statements.</p> <p>Regular meetings with the administration team and the Company's management team to advise of strategy and progress of the administration.</p> <p>Dealt with all post, telephone and other enquiries received and updated the Administrators' records on an ongoing basis.</p>	<p>Continue to manage incoming and outgoing post and correspondence.</p> <p>Continue to review the Company's IT systems and arrange for any further secure backups of all relevant data.</p>
2	<p>ASSET REALISATION Work undertaken during the reporting period</p>	<p>ASSET REALISATION Future work to be undertaken</p>
	<p>Reviewed the books and records to ascertain the asset position.</p> <p>Instructed specialist chattel asset valuers to perform a valuation of the assets. The principal assets of the Company have been identified as fixtures and fittings and stock. Whilst we continue to trade the stock will be sold via our stores and e commerce platform and to our franchise partners on normal credit terms. The continued trading has enabled debtor collections to continue as normal.</p>	<p>Continue to liaise with our specialist chattel asset valuers to deal with any asset realisation, if a CVA is not approved.</p>

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The Administrators' estimated remuneration, expenses and costs information

3	CREDITORS Work undertaken during the reporting period	CREDITORS Future work to be undertaken
	<p><u>Unsecured creditors</u></p> <p>Notified all known creditors and suppliers of the Administrators' appointment and invited creditors to lodge their claims.</p> <p>Uploaded all information to the creditors' portal for future access and provided creditors with details to sign up/access.</p> <p>Imported all relevant creditor information into our internal case management system.</p> <p>Lodged all incoming claims into the case management system and ensured all information was accurate. Each claim and supporting documentation have been saved in the electronic filing system.</p> <p>Responded all to creditors' queries via phone, email, or written correspondence.</p> <p><u>Preferential Creditors</u></p> <p>Obtained the employee records from the Company's management team to enable any redundancy claims to be processed accordingly.</p> <p>Notified affected employees to notify of their redundancy from the Company.</p> <p>Assisted redundant employees with any queries and processed the employee claims in accordance with the Company records and the Redundancy Payment Services'. Completed RP14 and RP14A forms and submitted them to the Redundancy Payments Service ("RPS").</p>	<p><u>Unsecured creditors</u></p> <p>Continue to review and respond to creditors' queries by phone and written correspondence. Ensure all creditor information is accurately recorded and updated where necessary.</p> <p>Continue to lodge all creditor claims into the case management system and all documentation to filed.</p> <p>Upload all relevant information and reports to the creditors' portal.</p> <p>Notify creditors of CVA proposals and deal with any proposed creditor meeting and post CVA matters.</p> <p>If a CVA is not approved but there are sufficient funds to enable a distribution to unsecured creditors, then steps will be taken to place the Company into Liquidation once all assets have been realised via a business and asset sale or an orderly wind down.</p> <p><u>Preferential creditors</u></p> <p>Notify creditors of CVA proposals and deal with any proposed creditor meeting and post CVA matters. If a CVA is not approved prepare any potential dividend distributions, advertise for claims, and notify all creditors and adjudicate all claims.</p> <p>Request the Redundancy Payment Services' final proof of debt to enable their claims to be reconciled accurately.</p> <p>Continue to assist preferential creditors, including the RPS and HMRC with any queries and process all additional claims.</p>

Appendix C

The Administrators' estimated remuneration, expenses and costs information

<p>Contacting HMRC to advise of the appointment and request their claim against the Company.</p> <p><u>Retention of Title ("ROT")</u></p> <p>Issued ROT questionnaire to all creditors and third parties who have indicated they retain title over stock and items provided to the Company. Ongoing discussions with creditors to provide additional information to substantiate their claims to allow further assessment.</p> <p>Assistance obtained from our agents to differentiate assets subject to ROT and realisable assets belonging to the Company.</p> <p>Assistance obtained from Jones Day in relation to legal issues surrounding ROT claims.</p> <p><u>CVA</u></p> <p>Initial exploration of creditor claims where a CVA has been proposed.</p>	<p><u>Retention of Title ("ROT")</u></p> <p>Continue to deal with existing creditors and third parties ROT claims to reach conclusion with the assistance of solicitors if required. Deal with any new claims direct with creditors.</p> <p><u>CVA</u></p> <p>Continued preparation of CVA proposals in conjunction with solicitors and Company and issue to creditors. Prepare any meeting requested by creditors and communicate CVA outcome. Deal with the post CVA requirements and return business back to Company. If CVA not successful review strategy and prepare for a marketing proposal for a sale of the business and assets.</p>
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Appendix C

The Administrators' estimated remuneration, expenses and costs information

4	INVESTIGATIONS Work undertaken during the reporting period	INVESTIGATIONS Future work to be undertaken
	<p>An IP has a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <p>Requested all directors of the Company, both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in the preparation of the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act.</p>	<p>If a CVA is approved, then the investigation into any directors' conduct is curtailed.</p> <p>If the CVA is not approved, then the below will continue.</p> <p>Conduct initial enquires into the conduct of the Company, its officers, and associated parties. Consider information provided all stakeholders that might identify further assets or lines or enquiry for the office holder to explore if benefit to the estate is possible.</p> <p>Review all matters brought to the Administrators attention which require notification to the Secretary of State or National Crime Agency.</p> <p>Discuss how the IP weighs up the merits of pursuing actions and if these are being pursued explain the likely benefit to creditors or if further consultation with creditors is likely.</p> <p>Comment on what investigations are anticipated or that none are currently anticipated and whether the directors or other parties are expected to assist or hinder the IP's enquiries.</p> <p>After collating all the relevant information, an intensive review of all records will be conducted and recorded prior to completing the official return to the DBEIS. Report all findings to the DBEIS, highlighting any major discoveries.</p> <p>Once the DBEIS have reviewed the report, they will confirm whether any supplementary information will be necessary to conclude the investigations. Should further information be required, the Joint Administrators will ensure this is obtained and provided accordingly.</p> <p>Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.</p>

Appendix C

The Administrators' estimated remuneration, expenses and costs information

5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p><u>Appointment Formalities</u></p> <p>Dealt with all appointment formalities including Court documents.</p> <p>Notified relevant parties of the appointment, filed documentation with the Court, creditors, and the Registrar of Companies.</p> <p>Advertised the Administrators' appointment in line with statute.</p> <p>Arranged for insolvency bond to protect the assets available for creditors.</p> <p>Notified creditors of their rights to set-up a creditors' committee.</p> <p><u>Statement of Affairs ("SoA")</u></p> <p>Requested director to complete and submit a SoA. Liaised with director upon completion of the SoA.</p> <p>Prepared a draft financial position from the Company records, to include with this report.</p> <p><u>Post-appointment Tax/VAT</u></p> <p>Notified HMRC to send all imminent VAT Returns to the Joint Administrators for completion.</p> <p>Liaised with the Company's former accountants and tax advisors and requesting information on matters they have worked on for the Company.</p> <p>Liaised with HMRC over the Vat status of the Bonded warehouse in Littlehampton</p>	<p><u>Appointment Formalities</u></p> <p>Continue to file all notices with Registrar of Companies and Court and courts advertising.</p> <p>Notify all stakeholders of the approved Proposals.</p> <p>Continue to review the insolvency bond to protect the assets available for creditors.</p> <p>Deal with any creditor committee setup.</p> <p><u>Statement of Affairs ("SoA")</u></p> <p>Assist the director with the completion of the SoA where required.</p> <p>Once the document has been approved and signed ensure it filed with the Registrar of Companies and issued to creditors.</p> <p><u>Post-appointment Tax/VAT</u></p> <p>Prepare and file with HMRC all periodic VAT and Corporation Tax returns in accordance to the accounting and periods (if no CVA approved)</p> <p>Instruct accountants to assist in the preparation if required.</p> <p>Continue to liaise with HMRC over the Vat status of the bonded warehouse.</p>

Appendix C

The Administrators' estimated remuneration, expenses and costs information

	<p><u>Statutory Compliance and Reporting</u></p> <p>Placed legal advertisements in the London Gazette, as required by statute.</p> <p>Considered any environmental or health and safety issues and dealt with, as appropriate.</p> <p>Regularly reviewed the case to ensure general matters are adhered to and the case is progressed.</p> <p>Prepared the Administrators proposals and issued to members, preferential and unsecured creditors as required by legislation.</p>	<p><u>Statutory Compliance and Reporting</u></p> <p>Ensure all statutory periodic reports are issued to all relevant parties and filed in accordance with the legislation.</p> <p>Obtain approval to the basis of the Insolvency Practitioners fees by the relevant creditors.</p>
6	<p>TRADING (where applicable) Work undertaken during the reporting period</p>	<p>TRADING (where applicable) Future work to be undertaken</p>
	<p>Adhering to FRP's internal protocols to obtain approval to continue to trade and provided updates to compliance team.</p> <p>Liaised with the Company's management team on appointment and outlined and implemented a strategy to continue to operate the business on an ongoing basis. Requested company information and setup a fileshare to transfer sensitive data.</p> <p>Daily / Weekly internal meeting with team to provide updates and highlight any issues.</p> <p><u>Suppliers</u></p> <p>Contact made with key suppliers and notified them of the administration to ensure working relationships to stabilise the business and continue supply of stock. Provided professional undertakings to required suppliers to ensure uninterrupted operations. Collated a schedule of undertaking and reviewed the requirements on an ongoing basis.</p>	<p>Continue to provide internal updates on the trading and the progression of the case.</p> <p>Continue regular meetings with the Company's management team on the operations and ongoing trading of the business. Request any further Company information via the fileshare.</p> <p>Continue Daily/ Weekly internal meeting with team to provide updates and highlight any issues.</p> <p><u>Suppliers</u></p> <p>Continue to liaise with key suppliers for supply of stock on an ongoing basis. Review and provide any further professional undertakings if required to ensure uninterrupted operations and update schedule of undertakings.</p>

Appendix C

The Administrators' estimated remuneration, expenses and costs information

<p>Liaised with key digital media providers to continue to provide services to enable continuance of customer mail outs and promotional marketing.</p> <p>Entered lengthy negotiations with stock distribution agents in Germany to enable European franchise partners to receive stock from a warehouse in Germany holding our stock.</p> <p><u>Sales</u></p> <p>Monitored the daily trading cash flow forecasts and sales to ensure sufficient funding available to discharge the expenses of the administration as they fall due.</p> <p>Oversaw and assisted with the daily operational issues with the Company's finance team.</p> <p>Reviewed and approved orders for stock replenishment. Forwarded post appointment supplier invoices to finance team to schedule for payment in accordance with the undertaking. Processed daily supplier payments.</p> <p><u>Retail Portfolio</u></p> <p>Contacted the utility companies supplying the stores and head-office to arrange for an administration account to be set up and post appointment invoices for payment. Advised suppliers and other relevant parties of the stores no longer required to ensure these accounts were closed.</p> <p>Maintained a property schedule to highlight the stores open and trading, to ensure all payment liabilities are met and to monitor store performance.</p> <p><u>Merchant Service Providers</u></p> <p>Engaged with the Company's merchant service providers to notified them of the Administration and make arrangements for all sale proceeds to paid</p>	<p>Continue to liaise with key digital media providers to continue to provide services as and when required.</p> <p>Continue to pay suppliers in a timely manner for commitments made.</p> <p><u>Sales</u></p> <p>Continue to monitor the daily trading cash flow forecasts and sales to ensure sufficient funding available to discharge the expenses of the administration as they fall due.</p> <p>Continue to assist with the daily operational issues with the Company's team.</p> <p>Continue to review and approve orders for stock replenishment, forward post appointment supplier invoices to the finance team to schedule for payment in accordance with the undertaking. Process daily supplier payments.</p> <p><u>Retail Portfolio</u></p> <p>Continue to liaise with the utility companies in the supply of the stores and head office to ensure supply is preserved and deal with any appointment invoices for payment. Advise suppliers and other relevant parties if any further stores are no longer required and ensure these accounts are closed.</p> <p>Review and update the property schedule as and when the store position changes and monitor store performance.</p> <p><u>Merchant Service Providers</u></p> <p>Continue to engage with the Company's merchant service providers on the Administration and monitor sales receipts and any changes to their risk exposures and deposits held.</p>
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Appendix C

The Administrators' estimated remuneration, expenses and costs information

<p>directly to the Administration bank accounts on a daily basis. Liaised with the merchants' credit risk teams on risk exposures and deposits held.</p> <p>Prepared bank reconciliation and instructed bank to sweep the accounts and remit funds to our estate bank accounts.</p> <p>Ensured continued collection from stores of all cash takings and change service back to stores.</p> <p><u>Employees and Pensions and Payrolls</u></p> <p>Obtained the employee records and established the position of each employee. Wrote to the retained employees to advise of the administration and confirm their ongoing position.</p> <p>Liaised with Company to provide P45s to redundant employees.</p> <p>Liaised with the Company's management team to prepare the payrolls for employees at head office and stores. This was reviewed before salary payments were issued in accordance with the Company's pay day. Prepared payment of the payroll tax liabilities to HMRC.</p> <p>Attended to employee queries and providing regular updates on Administration progress.</p> <p>Established existence of pension schemes and notified the pension trustees and relevant parties of the administration.</p> <p>Liaised with the management team to prepare a report to the RPS inclusive of any pension arrears prior to the appointment. Requested the post appointment pension report in preparation for payment to the pension trustees.</p>	<p>Continue to prepare bank reconciliation and instruct bank to sweep the accounts and remit funds to our estate bank accounts.</p> <p><u>Employees and Pensions</u></p> <p>Continue to provide employees with regular updates of the administration and oversee the ongoing running of the business and resolve any employee queries.</p> <p>Deal with any further redundancies and communicate with the RPS.</p> <p>Continue to liaise with Company's management team to ensure all payrolls are prepared for the monthly payment run and reviewed by us before payments issued. Ensure payment of the payroll tax liabilities are remitted to HMRC.</p> <p>Ensure any P45s are issued to any redundant employees.</p> <p>Prepare the post appointment pension payments and liaise with the pension trustees to ensure payment is received and allocated accordingly.</p> <p>Monitor completion of RP15 and RP15a and submitted to the RPS for payment.</p>
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Appendix C

The Administrators' estimated remuneration, expenses and costs information

7	LEGAL AND LITIGATION Work undertaken during the reporting period	LEGAL AND LITIGATION Future work to be undertaken
	<p>Sought legal advice on several ROT claims and issued creditor information and agreements.</p> <p>Liaised with solicitors on legal agreement from digital supplier and to reach agreement for continued supply.</p> <p>Meetings with solicitors on administration trading and CVA proposal.</p>	<p>Continue to liaise with solicitors on ROT claims and communicate outcome to creditors.</p> <p>Continue to notify and liaise with solicitors on any further claims and agreements required for trading the business.</p> <p>Continue to liaise with solicitors on administration trading and CVA proposals.</p>

Appendix D

Schedule of pre-administration costs

Provider	Service	Fee charged £ net of vat	Expenses incurred £	Total £	Amount paid £ net of vat	Amount unpaid £	Who payments made by	Basis of fees charged	Date of letter of engagement under which fees charged	Parties to the agreement under which fees charged
FRP Advisory Trading Ltd	Proposed Administrator	122,570.75	66.06	122,636.81	64,163.75	58,473.06	n/a	Time cost	2 February 2024	Company
Jones Day	Legal services	131,000.00	0	131,000.00	0	131,000.00	n/a	Time cost	9 February 2024	Company & Proposed Administrators
TOTAL		253,570.75	66.06	253,636.81	64,163.75	189,473.06				

The pre-administration costs are the fees charged and the expenses incurred by the Joint Administrators before the Company entered administration but with a view to it doing so.

Notes

1. Pre-appointment time was incurred in preparing for the Administration and total 204.75 hours. These costs represent a fair and reasonable reflection of the work undertaken prior to the appointment of the Joint Administrators, which is further explained below:
 - Detailed dialogue and calls were entered into with Company and wider group and their inhouse legal team to discuss the financial position of the Company, the options available to them, impact of Administration on the Company.
 - Review of the cash-flow forecasts and discussions for the strategy of the proposed Administration
 - Liaised with and updated secured creditors.
 - Reviewed the appointment documents prepared by solicitors in anticipation for the appointment
2. Jones Day have undertaken work in preparation for the Administration appointment.

The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Rules and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

Statement of Affairs as at 13 February 2024

A - Summary of Assets

	Net Book Value £	Estimated to realise £
<u>Fixed Charge Assets</u>		
Investments	172,804,492	-
Intangible assets	31,730,608	-
IP	-	7,900,000
	204,535,100	7,900,000
Less due to Fixed Chargeholder		
Surplus / (Deficiency) to Fixed Chargeholder	204,535,100	7,900,000
<u>Assets Specifically Pledged</u>		
N/A		
	-	-
<u>Floating Charge Assets</u>		
Fixed charge surplus	204,535,100	7,900,000
Cash and cash equivalents	9,840,297	9,840,297
Other non-current assets (bank guarantees)	11,725,127	-
Trade receivables	20,568,986	14,398,000
Inventory	54,895,157	14,904,897
Related parties	58,144,995	-
Other receivables	8,889,084	uncertain
IFRS16 asset	40,670,429	-
Deferred income tax	45,381,649	-
Third party deposits	1,729,577	-
Plant and equipment	21,331,855	570,000
Total Assets Available for preferential creditors	477,712,256	47,613,194

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

	Net Book Value £	Estimated to realise £
B - Summary of Liabilities		
Assets available for Preferential creditors	477,712,256	47,613,194
Less due to Preferential Creditors		
Pensions outstanding	(431,000)	(431,000)
	(431,000)	(431,000)
Less due to second ranking Preferential Creditors		
HMRC - VAT	(3,545,638)	(3,545,638)
HMRC - PAYE	(2,703,158)	(2,703,158)
	(6,248,796)	(6,248,796)
Net Property	471,032,460	40,933,398
Less Prescribed Part	-	-
Available to Floating Chargeholder	471,032,460	40,933,398
Less due to Floating Chargeholder	-	-
Surplus / (Deficiency) to Floating Chargeholder	471,032,460	40,933,398
Available to unsecured creditors:	471,032,460	40,933,398
Prescribed Part b/d	-	-
Trade creditors	(43,974,725)	(43,974,725)
Borrowings / lease liability	(63,163,757)	(63,163,757)
Related suppliers	(143,563,851)	(143,563,851)
Other creditors	(19,228,903)	(19,228,903)
Less due to unsecured creditors	(269,931,236)	(269,931,236)
Surplus /(Deficiency) to unsecured creditors	201,101,224	(228,997,838)
Add deficiency to Floating Chargeholder	-	-
Total deficiency to creditors	201,101,224	(228,997,838)
Less share capital	(214,897,280)	-
Total deficiency to members	(13,796,056)	(228,997,838)

Notes:

The statement of affairs has been prepared from the books and records of the Company

The statement of affairs does not include the costs and professional fees of the administration

The estimated to realise values are based on valuation agents advice on a brand sale and liquidation of stock

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CA0000	AAA Law	A. Goštauto 40B, Vilnius, Vilnius, 3163	646.79
CA0001	ABM Facitily Services Scotland Ltd	62 Templeton Street, London, G40 1DA	98.80
CA0002	Abu-Ghazaleh Intellectual Property	104 Mecca Street, Um Uthainia, Amman, Jordan	2,770.12
CA0003	ACCENTURE UK LTD	30 FENCHURCH STREET, LONDON, EC3M 3BD	1,928,981.86
CA0004	Adams & Adams	P.O. Box 1014, Pretoria, 1	9,423.20
CA0005	ADARMA LTD	133 Fountainbridge, Edinburgh, Edinburgh, EH3 9QG	216,000.00
CA0006	Addison Lee Plc	William Road, London, NW1 3ER	3,526.52
CA0007	adMarketplace	1385 Broadway 19th Floor, New York, NY10018	11,639.43
CA0008	ADSL LTD	18 ALDERS WAY, PAIGNTON, DEVON, TQ4 7QN	19,056.00
CA0009	ADVOKATFIRMAET	Handelsbanken 5, Oslo, Oslo, 151	2,226.87
CA000A	Advokatfirmaet Grette AS	Filipstad brygge 2, OSLO, Oslo, 252	13,362.55
CA000B	Adyen N.V	Simon Carmiggeltstraat 6-50, Amsterdam, 1011 DJ	32,894.59
CA000C	Aetna UK Ltd	Highfield Parc, Oakley, Bedfordshire, MK43 7TA	486.18
CA000D	AG Quidnet Hounslow BV	14-16, CAXTON STREET, LONDON, SW1H 0QT	197.60
CA000E	AG RETAIL NUM (6) LTD	10th Floor 3 Hardman Street, Manchester, Spinningfields, M3 3HF	3,250.00
CA000F	AG RETAIL NUM (7) LIMITED	3 HARDMAN STREET, MANCHESTER, M3 3HF	517.68
CA000G	AGILE SOLUTIONS (GB) LTD	454 EXCHANGE HOUSE, MILTON KEYNES, MIDSUMMER BOULEVARD, MK9 2EA	102,023.84
CA000H	Aisen Industrial Co Ltd	258 Onoda Kainan-City, 642	8,817.31
CA000I	AKAMAI TECHNOLOGIES LTD.	update, LONDON, EC4A 3TW	33,322.36
CA000J	ALBA SCIENCE LTD	update, EDINBURGH, EH1 3RH	3,300.00
CA000K	Allstar Business Solutions Ltd	Arval Centre, Swindon, SN5 6PS	1,714.62
CA000L	Almighty Cleaning Limited	3 The Fairway, Swindon, SN3 1RG	63.44
CA000M	ALPHA LOGICA INTERNATIONAL LTD	183 COSCO TOWER - QUEEN, ROOM 2110-, HONG KONG, 317319 DES VOEUX ROAD CENTRAL, 852	4,903.87
CA000N	ALTOMART LIMITED	17 St Anns Road, Harrow, HA1 1JU	4,000.00
CA000O	Amas Ltd.Common Receipts Account	Exchange house, London, EC2A 2NY	951.22
CA000P	Amazon Web Services EMEA SARL	38 AVENUE JOHN F. KENNEDY, LUXEMBOURG, 1855	20,758.56
CA000Q	Amazon Web Services EMEA SARL	38 AVENUE JOHN F. KENNEDY, LUXEMBOURG, 1855	41,409.92
CA000R	American Express Europe Ltd	Dept 99, Brighton, BN88 1AH	33,546.93

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CA000S	AMPLIENCE (UK) LIMITED	10 6th Floor Tower House, LONDON, London, WC2E 7HA	85,857.30
CA000T	AN4 GROUP LTD	8 The Windmills, St Marys Close, Alton, Hants, GU34 1EF	135,028.60
CA000U	Anand & Anand New Delhi	Plot No- 17A, 201301	225.73
CA000V	ANCORIS LIMITED	LILY HILL ROAD, BERKSHIRE, RG12 2SJ	8,394.73
CA000W	Ancorotti Cosmetics Srl	Via del Industria 14, Crema (CR), 26013	61,053.66
CA000X	Angela Mortimer	76 Wardour Street, 76, London, England, W1F 0UR	98.54
CA000Y	Anglian Water Business	Abbey Road, Durham, DH1 5FJ	137.27
CA000Z	APOLLO TAXIS LTD	30 WICK STREET, WEST SUSSEX, BN17 7JH	1,058.00
CA0010	Aptar Italia S.P.A.	Via Po 49, ZI Sambuceto, 66020, San Giovanni Teatino (Chieti), Italy	14,402.86
CA0011	AQUARIUS REAL ESTATE MANAGEMENT LIM	117 EDMUND STREET, BIRMINGHAM, B3 2HJ	1,800.00
CA0012	ARCO LTD	Head Office, HU1 2SJ	5,717.46
CA0013	Arkara Properties Limited	89 Seaward Street, Glasgow, G41 1HJ	2,650.00
CA0014	ArtLogica Group LLC	2928 Garfield Ter NW, Washington DC 20008, USA	172,983.84
CA0015	Ashdown Phillips and partners	pippingford Park, East Sussex, TN22 3HW	3,619.04
CA0016	Assembly And Packaging Services Ltd	5 Cowley Road, Blyth, NE24 5TF	91,288.20
CA0017	Association of NHS Charities	LAKE VIEW HOUSE, WARWICK, CV34 6RG	5,740.00
CA0018	Asstra Forwarding AG	c/o Euler Hermes UK, Richtiplatz 1, 8304, Wallisellen, Switzerland	643,499.05
CA0019	AUDIENCE STORE LTD	325 EUSTON ROAD, LONDON, LONDON, NW1 3AD	59,107.11
CA001A	Avery Dennison RIS UK Limited	Unit 1 Thomas Road, HP10 0PE	466.20
CA001B	Avon Cosmetics Ltd	Nunn Mills Road, Northampton, NN1 5PA	33,000.00
CA001C	Avon Operations Polska Sp. z o.o.	Stacyjna 77, Garwolin, 08-400	12,766,955.61
CA001D	AW Faber- Castell COSMETICS GMBH	Nürnbergger Straße 2, 90546 Stein , Germany	73,337.34
CA001E	AWIN Ltd	2 Thomas More Square, London, E1W 1YN	257,861.93
CA001F	Aylesbury Vale Dist.Co.(Rates)	The Gateway, HP19 8FF	904.00
CB0000	B & HS Management	33 Cavendish Square, London, W1G 0PW	33,000.00
CB0001	B Lab UK	X+Why, London, Shadwell, E1 1EW	54,000.00
CB0002	BACIL	Park St, Leeds, LS1 3BY	624.00
CB0003	Baker & Mckenzie	100 Barangaroo Avenue, Sydney, 2000	2,746.67
CB0004	Baker & Mckenzie	Holbeinstrasse 30, CH-8034, Zurich	5,932.19

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CB0006	Baker & McKenzie - CIS Limited	24 Vorovskoho Street, Kyiv, 1054	452.30
CB0005	Baker & Mckenzie (Japan)	Ark Hills Sengokuyama Mori Tower, 28th Floor, 1-9-10 Roppongi, Minato-ku, Tokyo 106-0032, Japan	57,686.80
CB0007	Baker & McKenzie CIS Ltd	White Gardens, Moscow, 125196	688.43
CB0008	Baker & McKenzie Hong Kong	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong	9,123.82
CB0009	Baker & Mckenzie LLP	100 New Bridge Street, London, EC4V 6JA	31,623.85
CB000A	Baker & McKenzie.Wong & Leow	8 Marina Boulevard #05-01, Marina Bay Financial Centre Tower 1, Singapore 018981	762.75
CB000B	BARRY CAHILL	24 LENABOY PARK, GALWAY	9,174.97
CB000C	Bartholomews Specialist Distributio	Bognor Road, Hampshire, PO19 7TT	92,773.60
CB000D	Basildon District Council	Church Walk House, SS14 1BY	1,071.00
CB000E	Bath and North East Somerset	Lewis House Manvers Street, Bath, Bath, BA1 1JG	5,958.33
CB000F	Bdn Ltd	The Old School, Sunderland, SR4 6DR	13,068.00
CB000G	Bell Gully	48 Shortland Street, PO Box 4199, Auckland 1140, New Zealand	2,756.67
CB000H	Bemari ltd	The Great Barn, Gaddesden Row, Hemel Hempstead, HP2 6HG	31,541.44
CB000I	Berisfords Ltd	PO Box 2, Thomas Street, Congleton, CW12 1EF	23,625.00
CB000J	Berkley Estates London Limited Rent	105 Wigmore Street, London, W1U 1QY	19,290.00
CB000K	BerkleyEstates SC	105 Wigmore Street, London, W1U 1QY	1,019.76
CB000L	Birmingham City Council (Rates)	PO Box 5, Birmingham, B4 7AB	9,259.00
CB000M	Blackburn & Darwen Borough Council	Town Hall, BB1 7DY	988.00
CB000N	BLB CONSULTING	230 impasse des amandiers, Greoux-les-Bains, 4800	2,563.05
CB000O	Bloody Good Period	Doric Way, London, NW1 1LB	26,995.00
CB000P	BLOOMBERG FINANCE L.P.	731 LEXINGTON AVENUE, NEW YORK, NY10022	1,905.78
CB000Q	Blueco Ltd	Upper Rose Gallery, DA9 9ST	36,640.00
CB000R	Blum & Bernstein, LLP	220 White Plains Road, New York, Tarrytown, NY10591	1,356.92
CB000S	BMVN INTERNATIONAL LLC	Indochina Plaza Hanoi, Hanoi, Cau Giay District, 10000	1,135.45
CB000T	BNP Paribas Real Estate Advisory &	5 Aldermanbury Square, London, EC2V 7BP	46,724.99
CB000U	BNP PARIBAS REAL ESTATE UK LIMITED	10 Harewood Avenue, London, NW1 6AA	95,844.19
CB000V	Bollre Logistics	c/o Euler Hermes UK, 1 Canada Square, London, E14 5DX	18,743.10
CB000W	Bollre Logistics	c/o Euler Hermes UK, 1 Canada Square, London, W14 5DX	318,609.12

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CB000X	Bolloré Logistics Germany GmbH	Euler Hermes Collections UK, 1 Canada Square, London, E14 5DX	499,444.23
CB000Y	Bolsover District Council	High Street, Derbyshire, S43 4JY	1,073.00
CB000Z	Bostik Ltd	Ulverscroft Rd, Leicester, LE4 6BW	3,219.26
CB0010	Botting and Co	41B Beach Road, Littlehampton, BN17 5JA	3,840.00
CB0011	BOUGIES LA FRANCAISE	ROUTE DELBEUF, BOURGTHEROULDE INFREVILLE, INFREVILLE, 27520	75,036.24
CB0012	Boulbee LDN Capital Ltd	117 George Street, London, W1H7HF	4,000.00
CB0013	Bracknell Forest Borough Council	Po Box 3559, RG12 1WY	2,496.00
CB0014	BRACKNELL REGENERATION LTD (RENT)	ESPLANADE STREET, ST HELIER, ST HELIER, JE4 9WB	6,500.00
CB0015	Bradford District Council (Rates)	Hall Ings, Bradford, BD1 1HX	1,570.00
CB0016	Braintree District Council-Rates	Causeway House, Braintree, CM7 9HB	1,859.00
CB0017	Brand Addition Limited	Trafford Wharf Road, London, M17 1DD	83,848.56
CB0018	Brand Addition Limited	9 Albert Embankment, LONDON, SE1 7SP	63,652.39
CB0019	Brighton & Hove Business Forum	First Floor, Brighton, East Sussex, BN2 0LA	628.80
CB001A	Brinkhof Services N.V.	Grote Bickersstraat 74 - 78, Amsterdam, 1013 KS	4,298.45
CB001B	BRISTOL CITY COUNCIL RATES	P O BOX 76, BRISTOL, Bristol, BS3 9FS	2,923.00
CB001C	British Land	1 MEADOWHALL CENTRE, SHEFFIELD, S91EP	17,482.33
CB001D	British Youth Council	Unit N201A Vox Studios, 1-45 Durham Street, London, SE11 5JH	35,975.00
CB001E	BROADGATE ESTATES - BRITISH LAND	SEYMOUR STREET, LONDON, W1H 7LX	16,770.00
CB001F	BROWN & LEE CHARTERED SURVEYORS	15 MEADWAY COURT, STEVENAGE, SG1 2EF	2,500.00
CB001G	BT ONEBILL (DIRECT DEBIT)	MERIT HOUSE, LONDON, NW9 5BA	27,441.26
CB001H	Buck and Hound Ltd	10/11 Liffey Street, Dublin, D01 WV83	6,643.02
CB001I	Bupa	PO Box 235, Salford, M50 3ZT	117,922.63
CB001J	BUPA OCCUPATIONAL HEALTH LIMITED	102 The Quays, Manchester, M50 3SP	2,400.00
CB001K	BYNDER LTD	27/31 CLERKENWELL CLOSE, LONDON, 5TH FLOOR UNIT 512, EC1R 0AT	57,211.19
CC0001	C&S Desiccants Ltd T/A ABSORBOPAK	33 Berkeley Crescent, CREWE, CW2 6QB	9,573.12
CC0002	C/O McArthurGlen UK Ltd	103 Wigmore Street, London, W1U 1WH	7,318.09
CC0003	Calderdale Council	PO Box 51, HX1 1TP	5,830.03
CC0004	Cannock Designer Outlet Limited	103 Wigmore Street, London, LONDON, W1U 1QS	17,028.00
CC0005	Cannock Designer Outlet Limited	103 Wigmore Street, Nations Ho, London, London, W1U 1QS	13,769.46

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CC0006	CAPITAL & REGIONAL (ILFORD)	22 CHAPTER STREET, LONDON, SW1P 4NP	6,000.00
CC0007	Carlisle City Council	Civic Centre, CA3 8QG	1,913.00
CC0008	CASTLE WATER - THAMES	LOWER MILL STRE, BLAIRGOWRIE, PH10 6AQ	5.12
CC0009	CBRE Limited	Henrietta Place, London, W1G 0NB	6,787.50
CC000A	CBRE LIMITED	10 GRESHAM STREET, LONDON, LONDON, EC2V 7AE	45,359.69
CC000B	CBRE LTD	70 Wellington Street, Glasgow, G2 6UA	33,649.98
CC000C	CBRE ST ENOCH SERVICE CHARGE	70 Wellington Street, Glasgow, G2 6UA	407.37
CC000D	CDN CONSULAR SERVICES LTD	Heritage House, Church Road, Egham, SURREY, TW20 9QD	3,750.19
CC000E	CER	Unit 7, Monaco Works, Herts, WD4 8LQ	91,206.83
CC000F	CEVA Logistics UK (Newsfast) Ltd	CEVA House, Excelsior Road, Ashby De-La Zouche, LE65 1NU	439,100.37
CC000G	Channel Graphic Communication Ltd	63 Aldsworth Avneue, west sussex, BN12 4XG	14,580.00
CC000H	Charities Aid Foundation	25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA	133.44
CC000I	Chelmsford Borough Council	Po Box 457, Chelmsford, CM1 2YJ	2,837.00
CC000J	Cheltenham Borough Council Rates	P.O.Box.10 Municipal Offices, GL50 1PW	1,548.00
CC000K	Cheshire East Council	Business Rates Section, Crewe, CW1 9JH	1,580.00
CC000L	CHESHIRE WEST AND CHESHIRE COUNCIL	PO Box 187, Chester, CH34 9DB	4,144.00
CC000M	Chesterfield Borough Council	85 New Square, S40 1SN	403.00
CC000N	ChiBAC Ltd	PO Box 639, Chichester, West Sussex, PO19 9HQ	232.96
CC000O	Children On The Edge	25 St Pancras, Chichester, PO19 7LT	1,508.00
CC000P	Christopher Newick	152A Henleaze Road, Bristol, BS9 4LW	4,583.33
CC000Q	City Of Durham	Revenues Division, Durham, DH8 1FP	988.00
CC000R	City Of Edinburgh Council (Rates)	P.O. Box 463, Edinburgh, EH11 3YJ	3,955.00
CC000S	City Of Nottingham (Rates)	Admail 3428, Nottingham, NG1 9YZ	2,475.00
CC000T	City of Wolverhampton Council	Borough Council (Rates), Wolverhampton, WV2 1AX	1,216.00
CC000U	Clean Society	5 Elm Business Units, 67 Chartwell Road, Lancing, West Sussex, BN15 8FD	6,210.00
CC000V	CMM	High Street, LS19 7PP	5,932.80
CC000W	CMS CAMERON MCKENNA NABARRO	78 CANNON STREET, LONDON, LONDON, EC4N 6AF	19,200.00
CC000X	Cogent Consulting UK Limited	Perth House, Corby, NN17 5JG	1,035.55
CC000Y	Colchester Borough Council (Rates)	P.O. Box 886, CO3 3WG	2,079.00

Appendix E

Details of the financial position of the Company

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FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CC000Z	Colliers International	LONDON, W1U 7GA	463.06
CC0010	Colliers International plc	9 Marylebone Lane, London, W1U 1HL	16,978.00
CC0011	COM ALT DE PROD NO TRAD	Parque Industrial Mz F L MZ F lot 9, LIMA, VILLA EL SALVADOR, 15816	23,771.79
CC0012	COMPLIFE ITALIA Srl	Via Guido Rossa, 1, Garbagnate Milanese, 20024	9,646.32
CC0013	Computacenter (UK) Ltd	Hatfield Business Park, Hatfield, AL10 9TW	119,794.97
CC0014	Comsec Investigations Ltd.	Aldersgate Street, London, EC1A 4JQ	4,200.00
CC0015	Concept 4	5/F HSBC BUILDING MONGKOK, 673 NATHAN ROAD, KOWLOON, HONG KONG	55,148.84
CC0016	CONCUR HOLDINGS (NETHERLANDS) BV	Amsterdam, 1077 ZX	24,722.94
CC0017	CONTENT SQUARE LTD	5 BOULEVARD DE LA MADELEINE, PARIS FRANCE, 75001	46,815.00
CC0018	Convera UK Financial Limited.	LEVEL 1 200 HAMMERSMITH ROAD, LONDON, W6 7DL	472.68
CC0019	Conwy County Borough Council	Gwynedd, LL30 9GN	1,638.00
CC001A	Cosmint SpA	Via XXV Aprile, 15, Olgiate Comasco, 22077	1,193,908.06
CC001B	Cossam Inv Co Ltd	141 Stanmore Hill, London, HA7 3ED	3,500.00
CC001C	Cotswold District Council	Council Offices, Cirecester, GL7 1PY	1,445.00
CC001D	Countrywide Freight Group Ltd	Unit 5 Mercury Centre, Feltham, TW14 0RN	24,101.10
CC001E	Countrywide Freight Group Ltd	Unit 5 Mercury Way, Central Way, Feltham, TW14 0RN	2,069.69
CC001F	COUNTY SQUARE CAPITAL LIMITED	44A Clapton Common, LONDON, E5 9SG	3,850.00
CC001G	Coyote Logistics LLC	3rd Floor 2545 W. Diversey Ave, Chicago, Chicago, IL60647	67,223.02
CC001H	Craft Media London	58-60 Stamford Street, London, SE1 9LX	93,600.00
CC001I	Crawley Borough Council (Rates)	Town Hall, RH10 1UZ	2,079.00
CC001J	CRAYON LIMITED	CRAYON HSE MERCURY PARK, WOOBURN GREEN, HP10 0HH	65,339.07
CC001K	Creative Recruitment	3rd Floor, 70 Gracechurch Street, London, EC3V 0HR	52,959.17
CC001L	CROWN GAS & POWER CROWN POINT	The Oil Centre, Bury New Road, Bury, BL97HY	49,871.33
CC001M	CSC Harlequin Ltd	40 Broadway, London, SW1H 0BU	13,408.27
CC001N	Csc Lakeside Ltd	40 Broadway, London, SW1H 0BU	1,438.43
CC001O	Ctpa Ltd	5/7 John Princes Street, London, W1G 0JN	10,482.01
CC001P	Culligan (UK) Limited	Trafalgar House, NORFOLK, Dereham, NR19 1JG	26.39
CC001Q	Curated Digital Limited	19A Phipp Street, EC2A 4NP, London, EC2A 4NP	35,388.00
CD0000	DACHSER Biebesheim GmbH	Lise-Meitner-Str. 2, Biebesheim am Rhein, 64584	235,736.17

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CD0001	Dachser Ltd	Thomas Dachser Way, Brackmills, Northampton, NN4 7HT	25,317.72
CD0002	Dachser SE	Logistikzentrum Frankfurt, Frankfurt, 60549	185,832.29
CD0003	Dartford Borough Council (Rates)	Home Gardens, DA1 1DR	3,691.00
CD0004	Darwin Press Limited	Pier Road, Middlesex, TW14 0TW	6,469.80
CD0005	Delphic HSE Solutions Limited	282 Farnborough Road, Farnborough, GU14 7NA	1,361.40
CD0006	DEMATIC LIMITED	BANBURY BUSINESS PARK, OXFORD, OX17 3SN	154,851.50
CD0007	Dennemeyer SA	55 rue des Bruyeres, Howald, 1274	24,555.90
CD0008	Dennemeyer Software Solutions S.a.r	55 rue des Bruyères, Howald, 1274	8,280.00
CD0009	DEPARTMENT OF THE ENVIRONMENT	111 40 FOYLE STREET, BALLYKELLY LIMAVADY, BT48 6AT	1,887.50
CD000A	Derwent London	25 Saville Row, London, W1S 2ER	5,000.00
CD000B	Descartes Systems (USA) LLC	2030 Powers Ferry Road SE, Eden UT, UT84310	2,543.38
CD000C	Design Studio People Ltd	42 Berner Street, W1T 3ND	13,759.20
CD000D	Deutsche Bank AG	23-25 Av. Franklin Roosevelt, 75008, Paris, France	242.74
CD000E	Dhl International UK Ltd	Southern Hub, SL3 0BB	49.64
CD000F	Diamond Couriers Ltd	Unit 1, The Felbridge Centre, West Sussex, RH19 1XP	493.58
CD000G	DICENTRAL CORPORATION	1199 NASA PARKWAY, HOUSTON, TX77058	3,291.36
CD000H	DIGGECARD UK LTD	NINE MILE RIDE, BERKSHIRE, RG40 3GE	4,007.12
CD000I	Digital Works Consulting Ltd	1 MountView Court, London, London, N200LD	28,755.00
CD000J	DipHex Solutions Limited	Unit 3 Roebuck Business Park, Harrietsham, Ashford Road, ME17 1AB	813.60
CD000K	Direct Link Worldwide Ltd	Clayton Road, London, UB3 1AN	93,932.13
CD000L	DIRECTION FIRE LTD	FIRST QUARTER, KT19 9QN	8,537.10
CD000M	DOCUSIGN INC	221 MAIN ST SUITE 1000, CALIFORNIA, CA94105	31,101.58
CD000N	DP GLOBAL MAIL(UK)LTD DHL PARCEL UK	HURRICANE WAY, SLOUGH, SL3 8AG	65,126.72
CD000O	DPD Deutschland GmbH	Wailandtstraße, Aschaffenburg, 43741	147,100.39
CD000P	DPD UK	Litigation Dept, 15th Floor Castlemead, Lower Castle Street, Bristol, BS1 3AG	11,405.66
CD000Q	DS Smith Packaging Deutschland	Essener Straße 60, Mannheim, 68219	29,774.49
CD000R	DSV Air & Sea Inc	Unit 4, Brampton, L6T 5V2	906.19
CD000S	Dudley Met Borough (Rates)	Dudley Mbc, DY1 1HG	4,748.00
CD000T	Dumfries & Galloway Council (Rates)	English Street, DG1 2DD	1,398.55

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CE0000	E&L Estates Limited	The Stables, London, London, NW7 1RL	2,800.00
CE0001	ECOCERT ENVIRONNEMENT SAS	36 Boulevard de la Bastille, PARIS, 75012	49,232.01
CE0002	ECREBO LIMITED	SOANEPOINT 68 MARKET PLACE, READING, RG1 2EG	41,064.80
CE0003	E-Cycle Limited	Unit 4, Tonypanyd, Tonypanyd, CF40 1NY	5,711.40
CE0004	EDF ENERGY LTD	40 GROSVENOR PLACE, LONDON, LONDON, SW1X 7EN	130,138.52
CE0005	Edicom Capital, S.I.	Charles Robert Darwin 8, 46980, Parque Tecnologico de Paterna	1,296.47
CE0006	EDINBURGH ST JAMES (GP) LIMITED	C/O Savills (UK) Limited, 163 West George St, Glasgow, G2 2JJ	18,750.00
CE0007	Elior UK PLC	Catherine Stree, Macclesfield, SK11 6ET	41,457.23
CE0008	Ellinson Estates	PO Box 47859, NW11 0XU	1,333.33
CE0009	Envoy Inc	Suite 410 410 Townsend Street, San Francisco, CA94104	15,046.97
CE000A	Epsom & Ewell Borough Council	Town Hall, Epsom, KT18 5BY	1,351.00
CE000B	Equans E&S Solutions Limited	2 Bartholomews, East Sussex, BN1 1HG	636,927.77
CE000C	EQUANS URBAN ENERGY LIMITED	Q3 Quorum Business Park, Benton Lan, NEWCASTLE-UPON-TYNE, NE12 8EX	177.41
CE000D	EQUIFAX LIMITED	6 Wellington Place, LEEDS, YORKSHIRE, LS1 4AP	45,000.00
CE000E	Ernst & Young	1 More London Place, London, SE1 2AF	265,389.35
CE000F	Escential Limited	Slough Trading Estate, Slough, SL1 4PF	12,423.60
CE000G	Eurofins Product Testing Services L	i54 Business Park, Wolverhampton, WV9 5GB	2,790.00
CE000H	EXIGO, LLC	1600 1600 VICEROY DRIVE SUITE 125, DALLAS, TX75235	30,586.79
CF0001	F. G. Curtis & Co Limited	Unit 8, Wells Place, Gatton Park Business Centre, Merstham, Surrey, RH1 3DR	13,682.74
CF0002	Fareham Borough Council (Rent)	14 Floral Street, LONDON, LONDON, WC2E 9DH	1,500.00
CF0003	Fareham Borough Council(Rates)	Po Box 13, PO16 7AZ	886.00
CM0010	Farrington Property Developments Ltd	20 Longgridge Avenue, Brighton, BN2 8LH	7,750.00
CF0004	FINASTRA TECHNOLOGY, INC.	744 Primera Blvd Suite 2000, Lake Mary, FL32476	1,413.45
CF0005	Fluid Branding Ltd	Carluddon Technology Park, Cornwall, PL26 8WE	5,081.36
CF0006	FOOTFALLCAM	46 ABBOTSWOOD, GUILDFORD, GU1 1UY	67,212.36
CF0007	FORWARD VISION SOLUTIONS LTD.	GROVE BUSINESS PARK, MAIDENHEAD, SL6 3LW	938.40
CF0008	Found and Form Ltd	195 Brooke Road, London, E5 8AB	3,102.72
CF0009	Foundever Operating Corporation Lim	5355 BUTTS ROAD, COVENTRY, Coventry, CV1 3BH	266,712.68
CF000A	Fragomen LLP	1st Floor, London, EC2V 7NA	13,469.30

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CF0008	Free Fall Media Limited	Sunnyhill, Derby, DE23 1RH	2,468.00
CF000C	Future Publishing Ltd	The Ambury, Bath, BA1 1UA	4,800.00
CG0000	Gateshead Mbc (Rates)	Regent Street, NE8 1HH	23,310.59
CG0001	GENPACT (UK) LIMITED	5 Merchant Square, London, W2 1AY	225,898.56
CG0002	GEORGE PRAGNELL LTD	5-7 Wood Street, Stratford Upon Avon, Warwickshire, CV37 6JA	6,400.00
CG0003	Gerrersheimer Momignies S.A	Rue Mandenne 19/20, Momignies, 6590	11,539.13
CG0004	Gillespie MacAndrew	Atholl Crescent, Edinburgh, EH3 8EJ	600.00
CG0005	Glasgow City Council (Rates)	P.O. Box 36, Glasgow, G1 1JE	8,535.00
CG0006	Gloucester City Council	Revenue & Benefits, Pershore, WR10 9BJ	1,643.00
CG0007	GMG Color Ltd	3 St James Court, Norwich, NR3 1RJ	2,257.14
CG0008	GOAT SOLUTIONS LIMITED	30 City Road, London, EC1Y 2AB	17,599.20
CG0009	Good Culture Ltd	12 High Street, Essex, Stanford Le Hope, SS17 0EY	90,000.00
CG000A	GOODSTUFF HOLDINGS LIMITED	CORINTHIAN HSE 279 TOTTENHAM CT RD, LONDON, London, W1T 7RJ	110,663.61
CG000B	Google Ireland Limited (GBP)	Barrow Street, Dublin, 4	252,678.25
CG000C	Grace Blue EMEA Ltd	No Number Harben House, Harben Para, London, London, NW3 6LH	36,000.00
CG000D	Grafton Banks	Sheridan House, 114-116 Western Road, Hove, East Sussex, BN3 1DD	4,369.08
CG000E	Graphic International Display	WEST HORNDON, CM13 3XL	377,456.86
CG000F	Greenheart Business Consulting Ltd	Higher Dunstone Farm, Yealmpton, Plymouth, PL8 2EL	4,266.89
CG000G	Griffon Land & Estates Limited	Towers Place, Surrey, TW9 1EG	8,000.00
CG000H	Guernsey Electricity (D/Debit)	P.O. Box 4, GY1 3AD	7,596.18
CG000I	Guildford Borough Council	Millmead, GU2 4BB	14,519.83
CG000J	Guildford Borough Council (Rates)	Borough Treasurer, GU2 4BB	4,523.00
CG000K	GVFM Limited	Maple Court, Barnsley, S75 3DP	4,594.00
CG000L	GXS Limited	420 Thames Valley Park Drive, Reading, RG6 1PT	5,997.89
CH0002	Hafren Dyfrdwy	Customer Relations, Darlington, DL1 9XF	132.04
CH0003	HAL VENTURES LTD	38 KEMPE ROAD, London, NW6 6SJ	1,930.00
CH0004	HAMPSHIRE PALLETS (PSP) LIMITED	MILITARY ROAD, PO16 8TT	34,632.00
CH0005	Hanro Limited	Bath Lane, Newcastle, NE4 5SQ	3,800.00
CH0006	Harlequin Design (London) LTD	Great Sutton St, London, EC1V 0DS	89,267.39

Appendix E

Details of the financial position of the Company

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FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CH0007	HARRISON CLARK RICKERBYS LIMITED	5 Deansway, Worcester, Worcestershire, WR1 2JG	1,430.00
CH0008	Harrow Council	Station Road, HA1 2XY	3,005.00
CH0009	Hawk Incentives Limited	Westside, Hemel Hempstead, HP3 9TD	9,208.56
CH000A	Head, Roberts & Associates	Station Terrace, Hants, SO21 2BN	4,680.00
CH000B	Headland Consultancy Limited	Cannon Green, 1 Suffolk Lane, London, EC4R 0AX	128,260.77
CH000C	Health Management Limited	The Broyle, East Sussex, BN8 5NN	1,626.00
CH000D	Heaps + Stacks Ltd	24 Marryat Square, London, SW6 6UA	21,096.34
CH000E	HeaveyRF UK Ltd	Lancaster Court, Coronation Road, High Wycombe, HP12 3TD	10,236.00
CH000F	Helga Davies Consultancy Ltd	3 St Nicholas Close, Milton Keynes, MK17 9EL	1,164.00
CH000G	Herefordshire Council	PO Box 224, Hereford, HR4 0LE	988.00
CH000H	Herefordshire Council	Revenues & Benefits, Herefordshire, Herefordshire, HR4 0LE	3,900.00
CH000I	Hermes Parcelnet Limited	1 Capitol Blvd, Leeds, LS27 0WH	250.18
CH000J	HHGlobal Czechia s.r.o.	Evropska 859/115, Prague, Prague 6, 160 00	344,403.06
CH000K	Hortons Estate Ltd	Latham House, Birmingham, B1 2AJ	13,200.00
CH000L	Howes Percival LLP	Nene House, 4 Rushmills, Northampton, NN4 7YB	33,151.68
CH000M	HP INC. UK LIMITED	EARLEY WEST, READING, RG6 1PT	1,070.40
CH000N	HUGHES NETWORK SYSTEMS LIMITED	ROCKINGHAM DRIVE, MILTON KEYNES, MK14 6PD	55,878.80
CH000O	HUGHES NETWORK SYSTEMS LIMITED (GBP)	ROCKINGHAM DRIVE, MILTON KEYNES, MK14 6PD	21,381.83
CH000P	Hypaship Ltd	Deer Park House, Witney, OX29 0YN	23,882.08
CI0000	Iberinfo Multimedia mktg SL	C/ San Rafael, 4B, Alcobendas (Madrid), 28108	14,060.09
CI0001	Inbrit Logistics Limited	Sovereign Park, London, NW10 7QP	1,395.00
CI0002	Incomm Europe Limited	Solent Business Park, Whiteley, PO15 7AH	4,200.00
CI0003	INCOPRO INC.	362 1116 S VISTA AVE, BOISE, ID83705	43,138.08
CI0004	Indeed Ireland Operations Ltd.	Sir John Rogerson's Quay, Dublin	100.00
CI0005	INDEPENDENT MARKETING SCIENCES LTD	10 The Spinney, Beaconsfield, HP9 1SB	38,400.00
CI0006	INFOSYS LIMITED	10 UPPER BANK STREET, LONDON, E14 5NP	34,398.00
CI0007	Inkpact Market LTD	Highbridge House, 9 Station Road, Williton, Somerset, TA4 4RJ	24,000.00
CI0008	Insafe International Limited	Mount Ephraim, Tunbridge Wells, TN4 8AS	7,053.87
CI0009	INSCALE LIMITED	MAIDSTONE ROAD, MILTON KEYNES, KINGSTON, MK10 0BD	1,397.04

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The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CI000A	Interactive Projects And Design Lim	Chestnut House, Durham, DL1 1QL	756.00
CI000B	Intertrust Management Ltd	P.O. Box 119, GY1 3HB	500.00
CI000C	iProspect (GBP)	10 Triton Street, London, NW1 3BF	71,286.11
CI000D	IRON MOUNTAIN UK LTD	MACMILLAN ROAD, LIVINGSTON, EH54 7DF	44,861.65
CI000E	Island Waste Ltd	Pointes Lane, Guernsey, GY6 8UJ	904.25
CI000F	Islwyn Pugh Construction Ltd	Unit 21 Pant Industrial Estate, Merthyr Tydfil, CF48 2SR	158,653.20
CI000G	Istari International (UK) Limited	8 Cavendish Square, London, W1G 0PD	207,298.80
CJ0000	Jersey Landholders Ltd	3rd Floor, JE2 3QA	7,916.67
CJ0001	JIGSAW24	The Old Hill, 40 High Church Street, Nottingham, NG7 7JA	76,808.94
CJ0002	JL United Limited	118 Harrogate Street, Middlesborough, LA14 5LY	2,316.00
CJ0003	Jones Lang LA Salle	PO Box 62442, Manchester, E14 1HA	13,858.00
CJ0004	Jones Lang LaSalle	PO BOX 55791, NORFOLK, E14 5WQ	42,300.00
CJ0005	Jorgensen Ltd	Unit 7 Belbins Business Park, S051 7JF	4,874.40
CJ0006	Jupiter Prestige Group Europe LTD	Aviation Way, Essex, SS2 6UN	78,334.80
CJ0007	Just Add Water Management Ltd	Cottage 2 Old Paradise Yard, London, Lambeth, SE1 7LG	26,925.00
CK0000	Kings Lynn & West Norfolk	Po Box 26, PE30 1PX	728.00
CK0001	Kings Security Systems Limited	St Dunstons Technology Park, Bradford, BD4 7HH	18,913.57
CK0002	Kitchen Table Publishing Ltd	1 Court Farm, Somerset, Somerset, BA112PQ	22,400.00
CK0003	KNIGHTS PROFESSIONAL SERVICES LTD	THE BRAMPTON, NEWCASTLEUNDERLYME, ST5 0QW	40.00
CK0004	KNIGHTS PROFESSIONAL SERVICES LTD	THE BRAMPTON, NEWCASTLEUNDERLYME, Staffordshire, ST5 0QW	76,376.48
CK0005	KO PRODUCTIONS LTD	11B BRANCH PLACE, LONDON, N1 5PH	50,145.68
CK0006	Kosmoscience France SAS	930 Route des Dolines, Valbonne, 06560, France	40,790.68
CK0007	KPS DIGITAL LIMITED	22 Worple Road, London, SW19 4DD	400,134.00
CL0000	LABORATOIRE NATIONAL D'ESSAIS	1 Rue Gaston Boissier, PARIS, 75724	2,594.15
CL0001	Laleham Health & Beauty (Alton)	Mill Lane, GU34 2PR	38,306.70
CL0002	Laleham Health & Beauty (Kirkham)	Sycamore Park, Nr Preston, GU34 2PR	168,743.72
CL0003	LAMBERT SMITH HAMPTON	410 MAY STREET, BELFAST, BT1 4NJ	6,622.17
CL0004	Lambert smith hampton	4-10 may street, Belfast, BT1 4HJ	5,000.00
CL0005	Lambert Smith Hampton	Clarence House, BT1 4NJ	16,162.00

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B - Company Creditors

Key	Name	Address	£
CL0006	Lambert Smith Hampton	City Gate East, Nottingham, NG1 5FS	3,383.38
CL0007	Lambert Smith Hampton - Hammersmith	Property Management Accounts, Belfast, BT1 4NJ	3,244.09
CL0008	Lambert Smith Hampton (NIreland) Lt	c/o Lambert Smith Hampton, 3rd Floor, The Kelvin, 17-25 College Square East, Belfast, BT1 6DH	4,350.00
CL0009	Land Securities	5 Strand, London, WC2N 5AF	34,629.29
CL000A	Land Securities Properties Ltd	5 Strand, London, WC2N 5AF	10,250.00
CL000B	Landswood de Coy LLP	21/22 Great Castle Street, London, W1G 0HY	26,121.12
CL000C	LCC Power Limited T/A Go Power	16 Churchtown Road, Cookstown, County Tyrone, BT80 9XD	1,422.85
CL000D	LCP PROPERTIES LICHFIELD	20th Floor Millbank Tower, London, SW1P 4QP	2,884.50
CL000E	Leaseplan UK Ltd	165 Bath Road, Slough, SL1 4AA	3,991.50
CL000F	LEE HECHT HARRISON PENNA LIMITED	5th Floor, LONDON, LONDON, W1S 1BX	18,548.40
CL000G	Leap Utilities Services Ltd	MediaCity UK, Salford, M50 2EQ	98.01
CL000H	Legal & General UK Property Fund	PO Box 55791, London, E14 5WQ	32,905.69
CL000I	Leicester City Council (Rates)	1 King Street, Leicester, LE1 6RN	2,923.00
CL000J	LEICESTER COMMERCIAL LIMITED RENT A	42a WESTERN ROAD, LEICESTER, LE3 0GH	1,971.57
CL000K	Leo Office Supplies	41 London Road, Dorking, RH2 9RJ	432.83
CL000L	Lexis Nexis UK	Quadrant House, SM2 5AS	4,965.67
CL000M	Lichfield District Council	Frog Lane, Lichfield, WS13 6YX	936.00
CL000N	Lincoln Waterside Centre Limited	c/o Wykeland Group, 47 Queen Street, Hull, HU1 1UU	6,000.00
CL000O	Liquidline Limited	11 Holywells Close, Ipswich, IP3 0AW	1,046.51
CL000P	Liverpool City Council (Rates)	PO Box 2012, Liverpool, L69 2DX	4,736.00
CL000Q	Liverpool One Management Co Ltd	15 Finsbury Circus, London, EC2M 7EB	18,400.00
CL000R	Llandudno Holdings LLP	Mostyn Court 2 Mostyn Street, Llandudno, LL30 2PS	4,350.00
CL000S	LOGISTEX LTD JUSTIN SAW	2700 KETTERING PARKWAY, KETTERING, Northamptonshire, NN15 6XR	15,264.60
CL000T	London Borough Of Barnet (Rates)	Business Rates, London, WR10 9BH	6,440.00
CL000U	London Borough of Bexley	Business Rates Section, DDA8 1UB	1,501.00
CL000V	London Borough Of Havering(Rates)	Town Hall, RM1 3BB	1,260.00
CL000W	London Borough Of Hillingdon	PO Box 1120, Nelson, BB9 7LJ	988.00
CL000X	London Borough Of Hounslow	The Civic Centre, London, TW3 4WD	1,743.00

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CL000Y	London Borough of Tower Hamlets	Town Hall Mulberry Place, London, E14 1SB	4,788.00
CL000Z	Loomis UK Limited	6th Floor Regus, Nottingham, NG1 5FS	43,627.56
CL0010	Lowry Outlet Ltd	The Trafford Centre, Manchester, M17 8PL	3,500.00
CL0011	LSG (Nottingham) Limited	1st Floor Egyptian House, London, W1J 9EH	8,050.00
CL0012	LUMEN TECHNOLOGIES UK LIMITED	260266 GOSWELL ROAD, LONDON, EC1V 7EB	112,190.62
CL0013	Luton Borough Council	Town Hall, Luton, LU1 2BQ	1,133.00
CL0014	Lyreco UK Limited	Donnington Wood, Shropshire, TF2 7NB	38,385.26
CM0000	M&H Plastics	London Rd, NR34 8TS	5,542.80
CM0001	Mabus Consultancy Limited	5 East St Helen Street, Oxford, OX14 5EG	11,400.00
CM0002	Macfarlane Group UK Ltd	Oakhurst Business Park, Southwater, RH13 9RT	277,960.92
CM0003	Macfarlanes LLP	20 Cursitor Street, London, EC4A 1LT	2,083.33
CM0004	MAGNY MANUFACTURING	55 Boulevard Pereire, PARIS, 75017	278,105.90
CM0005	Maidstone Borough Council	Maidstone House, Maidstone, ME15 6JQ	2,701.00
CM0006	MAILJET SAS LTD	DOWGATE HILL HOUSE 1416 DOWGATE H, LONDON, EC4R 2SU	2,121.28
CM0007	Main Titles Associated Ltd	32-37 Cowper Street, London, EC2A 4AP	2,820.00
CM0008	Mainland British Capital (One) Limi	Evolution Park, Blackburn, Blackburn, BB1 2FD	5,500.00
CM0009	Major Players Ltd	73-75 Endwell Str, WC2H 9AJ	38,986.50
CM000A	Manchester Airport Group	Olympic House, Stansted, M90 1QX	51,655.14
CM000B	Manchester City Council (Rates)	PO Box 3, Manchester, M15 5BA	7,616.00
CM000C	MAPP (PROPERTY MANAGEMENT) LIMITED	180 Great Portland Street, LONDON, W1W 5QZ	6,100.00
CM000D	MARILYN & SONS	LEVEL 2, MELBOURNE, 3000	76,976.54
CM000E	MARK MONITOR INC	5335 Gate Parkway, Jacksonville, Duval, FL32256	3,580.17
CM000F	Marsh UK Ltd	Commerce Park, RG7 4BY	322.86
CM000G	MAX RECYCLE	BLACKTHORN WAY, FENCEHOUSES, DH4 6JN	1,324.30
CM000H	MAYFIELD ASSET & PROPERTY MANAGEMEN	Second Floor, 6 Princes Street, London, W1B 2LG	441.92
CM000I	Mcarthur Glen	103 Wigmore Street, London, W1U 1WH	29,499.53
CM000J	MCARTHUR GLEN	103 WIGMORE STREET, LONDON, W1U 1WH	15,091.81
CM000K	Mcarthur Glen	103 Wigmore Street, London, W1U 1WH	9,298.64
CM000L	MCARTHUR GLEN GROUP	103 WIGMORE STREET, LONDON, W1U 1WH	8,323.30

Appendix E

Details of the financial position of the Company

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FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CM000M	McGurk Communications Ltd Ta Litmus	2 Viking Close, Willerby, HU10 6DZ	16,107.12
CM000N	Media Zoo Ltd	8 The Boulevard, Imperial Wharf, London, SW6 2UB	34,374.00
CM000O	Medway Council (Rates)	Gun Wharf, Chatham, ME4 4TR	2,368.00
CM000P	Mehmet Gun	KORE SEHITLERI 17, ISTANBUL, SISLI, 34394	312.45
CM000Q	Meiyume UK Ltd	Aintree House, Trowbridge, BA14 0XB	2,786,988.88
CM000R	Memery Crystal LLP	Fleet Street, London, EC4A 2DY	4,665.60
CM000S	MENTION ME LTD	145 DURHAM STREET, LONDON, SE11 5JH	13,560.00
CM000T	Mercer Limited	Tower Place West, London, EC3R 5BU	12,672.00
CM000U	Merkle UK One Limited	10 Triton Street, London, Regent's Place, NW1 3BF	61,092.68
CM000V	Merkle UK Three Limited	82 Ground Floor Arc House, London, SE1 3GP	7,431.30
CM000W	Meta Platforms Ireland Limited GBP	5-7 Hanover Quay, Dublin 2	71,671.55
CM000X	MetLife Europe d.a.c.	Trafalgar Place, Brighton, BN1 4FR	361.40
CM000Y	Metrisk Limited	Brookroyd Lane, Batley, WF17 0BU	33,080.40
CM000Z	MetroCentre (Nominee No 1&2)	40 Broadway, London, SW1H 0BU	13,000.00
CM0011	Microbiological Solutions Limited	Gollinrod, Bury, BL95NB	4,176.00
CM0012	Microsoft IRL Operations Ltd	South County Business Park, DUBLIN, D18 P521	19,333.19
CM0013	MICROSOFT LTD	MICROSOFT CAMPUS, RG6 1WG	336,630.13
CM0014	Middlesbrough Council (Rates)	Middlesbrough House, TS1 2YL	832.00
CM0015	MILLAR INTERIOR & DESIGN LTD	111 RITHERDON ROAD, LONDON, SW17 8QH	4,122.00
CM0016	Miller Commercial LLP	Mansion House, Princes Street,, Truro, Truro, TR1 2AR	5,250.00
CM0017	Milott Laboratories Co Ltd	84/55 Moo, 11 Soi, Tanasit, Teprarak Road, Samutprakarn, 10540	105,254.81
CM0018	Milton Keynes Council (Rates)	Po Box 107, Milton Keynes, MKE 3H	4,693.00
CM0019	MindOut LGBTQ Mental Health Service	113 Queens Road, Brighton, BN1 3XG	2,095.00
CM001A	Mobile Mini UK Ltd	28 Falcon Court, Middlesbrough, TS18 3TX	248.40
CM001B	Momentive Europe UC	Shelbourne Road, Ballsbridge, Dublin, D4	55,431.16
CM001C	Monetate Inc.	951 E. Hector Street, Conshohocken, PA19428	48,610.00
CM001D	Montagu Evans	19 Canning Street, Edinburgh, ED3 8EG	20,450.00
CM001E	Mood Media Ltd	West House, BR6 0JQ	26,340.52
CM001F	MoolMoor (Waverley) Ltd (Rent)	47 St. Paul's Street, Leeds, Leeds, LS1 2TE	3,500.00

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CM001G	MoolMoor (Waverley) Ltd (SC)	47 St. Paul's Street, Leeds, Leeds, LS1 2TE	1,291.87
CM001H	Moorgarth Property Management Limit	St Pauls Street, Leeds, LS1 2TE	518.40
CM001I	Moorgarth Property Management Limit	St Pauls Street, Leeds, LS1 2TE	5,042.44
CM001J	Moorgarth Retail Ltd (Bolton Rent)	47 St. Paul's Street, Leeds, Leeds, LS1 2TE	2,000.00
CM001K	MORE2 LTD	2 Valentine Place, London, SE1 8QH	7,107.60
CM001L	Moretons Investments Ltd	30-31 Clarence House North Street, Brighton, East Sussex, BN1 1EB	5,000.00
CM001M	Mrs Communication Ltd	Viaduct Road, Cardiff, CF15 9JF	2,148.00
CM001N	Mrs Susan & Mr David Tippen	Chess Lane, Hertfordshire, WD3 4HR	1,873.49
CM001O	Multi Packaging Solitions Tczew sp.	Neil Wilkinson, WestRock, Multi Packaging Solutions, Millenium Way West, Phoenix Centre, Nottingham, NG8 6AW	194,955.79
CM001P	Munroe K Asset Management	London, WC2E 9DH	5,750.00
CM001Q	MUNROE K ASSET MANAGEMENT LIMITED	14 Floral Street, London, WC2E 9DH	2,500.00
CM001R	Munroe K Asset Management Rent	14 Floral Street, London, London, WC2E 9DH	3,000.00
CM001S	MYUNIDAYS LIMITED	NOTTINGHAM, NOTTINGHAM, NG7 1FB	2,400.00
CN0000	N21 Limited T/A Silverbean	166 Brinkburn Street, Newcastle, NE6 2AR	72,000.00
CN0001	Nationwide Platforms	Midland Court, Lutterworth, LE17 4PN	4,457.37
CN0002	Nationwide Services Group Ltd	Kelsall House, Stafford Court, Telford, TF3 3BD	462.00
CN0003	Navex Global UK Limited	1 Queen Caroline Street 4th Floor, Hammersmith, W6 9HQ	44,373.09
CN0004	Ncr Limited	5 Merchant Square, London, W2 1BQ	326,215.22
CN0005	Network Rail	PO BOX 4278, Nottingham, M60 3BP	11,808.39
CN0006	Network Rail	P.O. Box 4150, Manchester, M60 7WY	8,461.05
CN0007	Network Rail	PO Box 4278, Manchester, M60 7WY	24,606.43
CN0008	Newcastle Unde Lyme BC	Merrial Street, Newcastle Under Lyme, ST5 2AQ	458.00
CN0009	Next Jump Limited	99 Waterloo Road, London, SE1 8UL	12,000.00
CN000A	Nichola Farnan	150 Hackney rd, studio 219, London, London, E2 7QS	200.00
CN000B	Nikki Tibbles at Wild at Heart Ltd.	30A Pimlico Road, London, SW1W 8LJ	452.50
CN000C	NORTH HIGHLAND UK LIMITED	10 Bloomsbury Way, London, WC1A 2SL	72,904.80
CN000D	North Wiltshire Dc	Monkton Park, SN15 1ER	1,016.00
CN000E	Northumberland County Council	Northumberland, NE61 2EF	1,411.00

Appendix E

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FRP Advisory Trading Limited
The Body Shop International Limited
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B - Company Creditors

Key	Name	Address	£
CN000F	NOTTINGHAM BID COMPANY LTD	Park Row, Nottingham, NG1 6EE	480.00
CN000G	Notts Cleaning Services	11 Leivers Avenue, Nottingham, NG5 7FU	189.00
CN000H	NSW WIRES	Suite 1-5, 117 Old Pittwater Road, Brodevale, NSW, 2100	5,992.25
CN000I	NTT UNITED KINGDOM LIMITED	NTT HOUSE WATERFORD BUSINESS PARK, HAMPSHIRE, GU51 3QT	12,813.06
CN000J	Nuneaton & Bedworth	Cotton Road, CV11 5AA	603.00
CN000K	NWG Business	Wheatlands Way, Durham, DH1 5FA	707.76
CO0000	Old Dominion Freight Line Inc	PO Box 198475, Atlanta, NC30384-8475	3,377.44
CO0001	Ondal France	2 rue Denis Papin, Sarreguemines, 57200	115,194.98
CO0002	Opal International Trading Limited	Block B&C, 5/F Hoover industrial Building, 27-38 Kwai Cheong Road, Kwai Chung, N.T, Hong Kong	3,453.03
CO0003	Oris Forums Ltd	Stanley House, Saffron Walden, Great Chesterford, CB10 1NY	420.00
CO0004	Oshima, Nishimura and Miyanaga	9F Shinjuku Gyoen Bldg, 1-5-1 Shinjuku, Shinjuku-ku, Tokyo, 160-0022, Japan	353.25
CP0011	Parasol Limited	840 Ibis Court, Warrington, WA1 1RL	2,160.00
CP0012	Pavilion Car Rental Limited	122 Beckett Road, BN14 7ET	219.00
CP0013	Penn Commercial	The Strand, Ipswich, IP2 8NJ	10,000.00
CP0014	PERMITTED DEVELOPMENTS INVESTMENTS	c/o Grice Collins Long, Extra MSA Amenities Building, 1st Floor, Baldock, Hertfordshire, SG7 5TR	5,400.00
CP0015	Peter M. Laverick	North Barn, Poling, BN18 9PU	2,389.70
CP0016	Philip Fisher LLP	3 Dancastle Court, London, N3 2JU	2,800.00
CP0017	PHL Ltd	Woodham Road, Co Durham, DL5 6HT	1,009.08
CP0018	Phs Group Ltd	Western Industrial Estate, CF83 1XH	80.57
CP0019	PL Maintenance Services	Adwick Park, Rotherham, S63 5AB	4,087.44
CP001A	Plusnet Plc	2 Pinfold Street, Sheffield, S1 2GU	91.36
CP001B	PMT Digital Limited	Burrel Road, PE27 3LE	32,461.22
CP001C	Portland Oxford Ltd	Worton Park, Manchester, OX29 4SU	3,375.00
CP001D	PORZIO, RIOS Y ASOCIADOS LIMITADA	Av.Cerro El Plomo 5680, p.19, Las C, Santiago, 7560742	3,556.14
CP001E	POST SELECT LIMITED	17 St Anns Road, Harrow, HA1 1JU	5,000.00
CP001F	Posture People Ltd	Basin Road South, Hove, BN41 1WF	1,347.05
CP001G	POWERONPLATFORMS LTD	Regus - Tower Court, YORK, YO30 4XL	117,512.31

Appendix E

Details of the financial position of the Company

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FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CP001H	Praxis Real Estate - Longlands Limi	13 Police Street, Manchester, M2 7LQ	1,633.78
CP001I	Praxis Real Estate Management Limit	13 Police Street, Manchester, Manchester, M2 7LG	3,500.00
CP001J	Precise Media Monitoring Ltd	Broadgate, London, EC2M 2QS	2,068.42
CP001K	PRECISELY SOFTWARE INCORPORATED	1700 District Avenue, Dallas, Texas, TX1803	19,479.01
CP001L	Premier Pallet Systems	Gressenhall, NR20 4DT	3,902.40
CP001M	PRODUCTVISION LTD	THE ASHWAY, BRDXWORTH, NN6 9UZ	12,363.60
CP001N	PROKRITEE	1st Floor Shop No.59, DHAKA, 1206	66,233.50
CP001O	Pryor Cashman LLP	7 Times Square, New York, NY10036	1,351.33
CP001P	Push Button Generation Ltd	64 Southwark Bridge Road, London, London, SE1 0AS	13,200.00
CR0000	R Harris	1 Grimsdells Corner, London, HP6 5EL	5,500.00
CR0001	R Stafford Charles & Son Limited	55/56 Lincoln's Inn Fields, London, WC2A 3LJ	2,800.00
CR0002	Ratcliffes	55 Audley Street, Mayfair, W1K 2QH	3,342.97
CR0003	R-cubed Ltd.	136-140 Old Shoreham Road, Hove, BN3 7BD	51,783.60
CR0004	Realm Ltd - The Kent County Council	Farm Road, Somerset, BA16 0FB	7,551.61
CR0005	Realm Ltd Wembley Rent	Farm Road Street, Somerset, BA16 0FB	2,648.16
CR0006	Realm Ltd Wembley Services	Farm Road Street, Somerset, BA160FB	7,210.83
CR0007	Reed Specialist Recruitment Ltd	California, 120 Coombe Lane, Raynes Park, SW20 0BA	78,323.84
CR0008	Refinitiv Limited	5 Canada Square, London, E14 5AQ	2,196.00
CR0009	Reith Lambert Orion IV European 15	24 Blythswood Square, Glasgow, G2 4BG	846.75
CR000A	Remit Group Limited	4 Orchard Place, Nottingham, Nottingham Business Park, NG8 6PX	120.00
CR000B	Renfrewshire Council (Rates)	Cotton Street, PA1 1AD	3,373.00
CR000C	Retail Fire Ltd	Broonhill Road, TN3 0TG	45,241.85
CR000D	Retail Utilities Solutions Ltd	Mid City Place, London, WC1V 6EA	757.52
CR000E	Rewardsbag Limited	2-5 West, 2-5 Rock Place, Brighton, BN2 1PF	44,782.80
CR000F	Rieke Packaging Systems Ltd	44 Scudamore Road, Leicester, LE3 1UQ	23,587.64
CR000G	RMS PTY LTD	LEVEL 12114 WILLIAM STREET, MELBOURNE, 3000	77,491.22
CR000H	RMS PTY LTD	461 BOURKE STREET, MELBOURNE, 3000	98,430.92
CR000I	RMS PTY LTD	461 BOURKE STREET, MELBOURNE, 3000	40,089.66
CR000J	Royal Mail	Papyrus Road, Peterborough, PE4 5PG	233.31

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The Body Shop International Limited
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B - Company Creditors

Key	Name	Address	£
CR000K	Royal Mail Group Limited	185 Farringdon Road, London, London, EC1A 1AA	581,951.38
CR000L	Royston Labels Ltd	Royston, SG8 5HN	468.00
CR000M	RTC	Castle Road, Sittingbourne, Kent, ME10 3RN	499,102.37
CR000N	Runtime Collective t/a Brandwatch	Sovereign House, Brighton, BN1 1UJ	32,290.80
CS0000	S & G Management Ltd	1 The Stables, Shootash, SO51 6DP	18,123.99
CS0001	S E Cleaning Services	Crosby Yard, Bridgend, CF31 1JZ	408.00
CS0002	S&J International Enterprises	Naradhiwas Rajanagar, Bangkok, 10120	1,220,942.23
CS0003	S. E. Redfern Ltd	33 The Bridge Business Centre, Chesterfield, S41 9FG	1,000.00
CS0004	S.A.S. SUDCOSMETICS	55 BOULEVARD PEREIRE, PARIS, 75017	297,934.99
CS0005	SALECYCLE LTD	RAINTON BRIDGE, DH4 5RA	11,160.24
CS0006	SAS GLOBAL COMMUNICATIONS LTD	BLACKHOUSE ROAD, RH13 6HS	5,052.00
CS0007	Savills (General)	Margaret Street, London, W1G 0JD	120,697.66
CS0008	Savills (UK) Ltd	12 Booth Street, London, M2 4AW	2,750.00
CS0009	Savills (UK) Ltd	12 Booth Street, Manchester, M2 4AW	12,000.00
CS000A	SAVILLS (UK) LTD BATTERSEA	12 BOOTH STREET BELVEDERE, MANCHESTER, MANCHESTER, M2 4AW	89,398.07
CS000B	SAVILLS CHELMSFORD	15 FINSBURY CIRCUS, LONDON, LONDON, EC2M 7EB	723.13
CS000C	SAVILLS HARROGATE	15 FINSBURY CIRCUS, LONDON, EC2M 7EB	4,800.00
CS000D	Savills on behalf of INTU	12, Manchester, Manchester, M2 4AW	16,000.00
CS000E	SAVILLS SWANSEA	15 FINSBURY CIRCUS, LONDON, LONDON, EC2M 7EB	7,897.06
CS000F	Savills UK Limited	132-134 Hills R, Cambridge, CB2 8PA	1,020.00
CS000G	SAVILLS WORCHESTER	15 Finsbury Circus, London, EC2M 7EB	4,000.00
CS000H	Schenker Ltd	Scylla Road, Feltham, TW6 3FE	282,067.67
CS000I	SCIENTIFIC LAB SUPPLIES LTD	THE SQUARE, HU13 0AE	91.56
CS000J	Scottish Water	P.O. Box 420, Edinburgh, EH10 6YN	1,259.40
CS000K	SCOTTISH WATER BUSINESS STREAM LTD	7 Lochside View, Edinburgh, EH12 9DH	5,750.21
CS000L	SECOM PLC	Hermitage Lane, Kenley, ME16 9NT	48,980.69
CS000M	Select Technology Sales And Distrib	4 Newton Centre, Thorverton Road, Exeter, EX2 8GN	5,620.91
CS000N	SERVICOM HIGH TECH LTD	Nash Road, B987AS	543.65
CS000O	SHEET ANCHOR EVOLVE (LONDON) LIMITE	LCP House, The Pensnett Estate, Kingswinford, West Midlands, DY6 7NA	2,490.00

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The Body Shop International Limited
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B - Company Creditors

Key	Name	Address	£
CS000P	Sheet Anchor Investments Limited	LCP House, West Midlands, West Midlands, DY6 7NA	2,750.00
CS000Q	SHEPHERD PROPERTY CONSULTANTS	Knight's House, 10 Knight's Place, TWICKENHAM, TW2 6QT	24,000.00
CS000R	SHP - SAVONNERIE DE HAUTE-PROVENCE	7, ZAI, Les Plaines Du Logisson, 04180 Villeneuve, France	15,481.51
CS000S	SHUTTERSTOCK, INC	350 FIFTH AVENUE 21ST FLOOR, NEW YORK, NEW YORK, NY10118	575.00
CS000T	Siemens Financial Services	Bells Hill, Stoke Poges, SL9 0HD	4,272.22
CS000U	Simply Solutions (Europe) Limited	6 Allen Road, West Lothian, EH54 6TQ	3,399.10
CS000V	SINCH SWEDEN AB	LINDHAGENSGATAN 74 PLAN 7, STOCKHOLM, 112 18	53,806.47
CS000W	SINGLE RESOURCE LIMITED	12 FETTER LANE, LONDON, london, EC4A 1LP	536,811.53
CS000X	Smartsheet.com Inc	PO Box 315, 10500 NE 8th Street, Be, WA, WA98009	683.97
CS000Y	Smokemart	6A Station Road, Hastings, TN34 1NG	2,040.00
CS000Z	SNELVERTALER BV	Rooseveltweg 11E , 1314SJ, Almere, The Netherlands	88.80
CS0010	Soapworks Limited	BLOCK 8, COLTNESS STREET, QUEENSLIE INDUSTRIAL ESTATE, GLASGOW, G33 4JD	82,781.38
CS0011	SOCIALLY POWERFUL MEDIA LIMITED	Baldwin's Gardens, London, EC1N 7RJ	60,000.00
CS0012	SOCOPLAN SA	Route de Parthenay, Thouars Cedex, 79104	433.47
CS0013	SOFTWAREONE UK LIMITED	4147 HARTFIELD ROAD, LONDON, WIMBLEDON, SW19 3RQ	127,249.98
CS0014	Solent Scale Services Ltd	Unit 9, PO19 8QA	324.00
CS0015	SoloProtect Limited	1 Vantage Drive, South Yorkshire, S9 1RG	5,676.34
CS0016	South Gloucestershire Council (Rate	PO Box 1953, Gloucester, BS37 0DB	13,962.46
CS0017	South Oxfordshire District Council	PO Box 162, Bromley, DA8 9DS	1,459.00
CS0018	Southampton Geothermal Heating Co.l	Benton Lane, Crawley, NE12 8EX	704.63
CS0019	Specialist Waste Recycling Ltd	23A Lenten Street, Alton, GU34 1HG	62,862.98
CS001A	Specsavers Corporate Eyecare	Cirrus House, Nottingham, NG2 1EP	510.00
CS001B	Spectra Private Brands (Asia) Limit	22 Kai Cheung Road, Hong Kong	142,884.99
CS001C	Spectra Private Brands (Asia) Limit	22 Kai Cheung Road, Hong Kong	83,660.12
CS001D	Spectra Private Brands (Asia) Limit	22 Kai Cheung Road, Hong Kong	25,893.54
CS001E	Spectra Private Brands (Asia) Limit	22 Kai Cheung Road, Hong Kong	16,182.81
CS001F	Spectra Private Brands (Asia) Limit	22 Kai Cheung Road, Hong Kong	3,368.78
CS001G	Spencer Signs Ltd	70 Scarborough Street, Hull, HU3 4TG	16,735.32
CS001H	SR Services	14 Welland Road, BN13 3NP	1,641.60

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FRP Advisory Trading Limited
The Body Shop International Limited
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B - Company Creditors

Key	Name	Address	£
CS001I	States Of Guernsey Water Board	South Esplanade, St Peter Port, GY1 3AS	51.52
CS001J	Steril Uk Ltd	Brackmills Business Park, Northampton, NN4 7PW	8,697.31
CS001K	STILES HAROLD WILLIAMS LLP	21-33 Dyke Road, 4th Floor, Brighton, BRIGHTON, BN1 3FE	22,440.00
CS001L	Store Maintenance Ltd	The Capricorn Centre, SS14 3JJ	73,727.91
CS001M	Stored Value Solutions (UK) Ltd	100 Wellington Street, Reading, LS1 4LT	10,411.04
CS001N	Storeforce Limited (UK)	170 North Street, Brighton, Brighton, BN1 1EA	25,812.94
CS001O	Stratford CCH Ltd	Mid City Place, London, WC1V6EA	1,520.53
CS001P	Stratford City Shopping Centre	Mid City Place, London, WC1V6EA	2,346.59
CS001Q	STRATFORD UTILITIES LIMITED	Mid City Place, LONDON, WC1V 6EA	647.23
CS001R	STRETTONS CLIENTS ACCOUNT	189203 HOE STREET, LONDON, E17 3SZ	2,550.00
CS001S	Sts Communications Ltd	143 Wick Street, BN17 7JY	308.88
CS001T	Studio Barbero SPA	Corso Massimo d'Azeglio 57, TURIN, 10126	1,001.13
CS001U	Sunbelt Rentals	Birchwood Park, Cheshire, WA3 6YE	2,133.55
CS001V	Sunderland City Council	Business Rates Section, Sunderland, SR5 9BJ	2,109.00
CS001W	Sundog Creative Limited	Suite B 1 Temple Square, Liverpool, L2 5RL	4,464.00
CS001X	Sunteck Transport Co, LLC	11000 Frisco St Ste. 100, Frisco, TX75033	1,221.18
CS001Y	Swindon Borough Council (Rates)	Civic Offices, SN1 2JH	1,299.00
CT0000	TAG Europe Limited	1 - 5 Poland Street, London, Soho, W1F 8PR	263,771.72
CT0001	Taggstar Technologies Limited	LABS House 136 High Holborn, London, WC1V 6PX	74,640.00
CT0002	Tatra Spring Polska SP. Zoo	uk Trakt Lwowski 155, Garwolin, 08-400	1,589,565.60
CT0003	TBI Refunds	Ring Road, Kilkenny, Ireland	1,259.07
CT0004	TC Security Services Limited	74/76 Walton Street, Surrey, KT20 7RU	66,189.88
CT0005	TCM Technology Ltd t/a Skuuudle	12-18 Queen Street, Manchester, Manchester, M2 5HS	17,559.90
CT0006	TechniSens	x Rue des Trois Frères, LA ROCHELLE, La Pallice, 17000	1,300.39
CT0007	Teignbridge Dist. Council (Rates)	P.O. Box 2, TQ12 4YR	852.00
CT0008	Telefonica Tech UK Limited	New Pound Common, Wisborough Green, RH14 0AZ	193,155.00
CT0009	Telefónica UK Limited	Bath Road, Slough/Berkshire, SL1 4DX	17,863.12
CT000A	Telford & Wrekin Council (Rates)	Addenbrooke House, TF3 4NT	2,389.00
CT000B	Temple Translations Ltd	2 Bridewell Place, London, EC4V 6AP	1,166.88

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CT000C	Text Marketer	20 Wollaton Street, Bristol, NG1 5FW	1,123.20
CT000D	TFORCE FREIGHT INC	14881 QUORUM DR STE, DALLAS, DALLAS, TX75254-7069	2,488.60
CT000E	TFORCE INTEGRATED SOLUTIONS	96 DISCO ROAD, ETOBICOKE, M9W 0A3	97,956.24
CT000F	The BMG (York) Ltd Partnership	103 Wigmore Street, London, W1U 1WH	13,233.40
CT000G	THE BOSTON CONSULTING GROUP UK LLP	80 Charlotte Street, London, London, W1T 4DF	1,158,000.00
CT000H	The Direct Selling Association Ltd	30 Billing Road, Northampton, NN1 5DQ	118.80
CT000I	THE GIFT VOUCHER SHOP (UK) LTD	30 ST JOHNS LA, LONDON, EC1M 4NB	2,059.75
CT000J	The Honeypot Children's Charity	19 Berghem Mews, Blythe Road, London, W14 0HN	8,085.00
CT000K	The Magnetic Collective LLC	Floor 4, London, E1 6JJ	90,000.00
CT000L	THE MALL CORPORATION LTD	10 LOWER GROVESNOR PLACE, LONDON, SW1W 0EN	5,035.00
CT000M	THE MIDCOUNTRIES CO-OPERATIVE	WARWICK TEHCNOLOGY PARK, WARWICK, WARWICK, CV34 6DA	14,893.35
CT000N	The Willian Trust Limited	The Maltings, Bridge Street, Hitchin, Hertfordshire, SG5 2DE	4,375.00
CT000O	Thompsons Ltd	Clifton Road, Blackpool, FY4 4QA	38,335.91
CT000P	Thomson Reuters (Professional) UK L	London, SE1 8EZ	25,605.36
CT000Q	Thurrock Borough Council (Rates)	Civic Offices, Grays, RM17 6LT	3,499.00
CT000R	TIKTOK INFORMATION TECHNOLOGIES UK	6TH FLOOR ONE LONDON WALL, LONDON, EC2Y 5EB	39,103.65
CT000S	Timpson Keys Direct	Claverton Road, M23 9TT	2,163.00
CT000T	Top Banana Communication Limited	The Studio, Stourbridge, Broome, DY9 0HA	33,516.62
CT000U	Toyota Material Handling UK Ltd	Stirling Road, SL1 4SY	97,726.45
CT000V	Trafford Metropolitan Coun.Rates	Business Rates Section, M33 0GD	9,045.00
CT000W	TRANSPORT UK CORPORATE TRAVEL	1 ELY PLACE, LONDON, LONDON, EC1N 6RY	1,808.06
CT000X	Trench Rossi Watanabe Advogados	Av Rio Branco, Rio de Janeiro, 20090-003	1,063.51
CT000Y	Trustees Shellbridge Pension Fund	Station Road, Burley-in-wharfedale, LS297PE	1,500.00
CT000Z	TRUSTWAVE LIMITED	New Penderel House, LONDON, LONDON, WC1V 7HP	19,353.60
CT0010	Tunbridge Wells Borough Council	PO BOX 1358, MAIDSTONE, KENT, ME14 9US	4,000.00
CT0011	TUSKERDIRECT LIMITED	Building 4, Hatters Lane, Watford, WD18 8YF	62,491.52
CT0012	Twilio Ireland Limited	25 - 28 North Wall Quay, Dublin 1, D01 H104	229.00
CU0000	UK INTELLECTUAL PROPETY OFFICE	CARDIFF ROAD, NEWPORT, NP10 8QQ	40.00
CU0001	UK Properties LLC	2014 Fisher Island Drive, Miami Beach, Florida, 33109	3,436.00

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CU0002	Unbabel, Inc.	595 Pacific Avenue, 4th Floor, San Francisco, CA, 94133, United States	14,407.86
CU0003	Union for Ethical Biotrade	127 Carouge GE, Carouge GE	21,572.18
CU0004	United Parcel Service Ltd	Gresham Road, CV10 7QR	61,532.23
CU0005	UPS	Post Office Box 7247-0244, Philadelphia, PA19170-0001	7,162.97
CU0006	Utmost Corporate Solutions	Hirzel Street, St Peter Port, GY1 4PA	9,610.35
CV0001	VANNER PEREZ NOTARIES LLP	75 King William Street, London, EC4N 7BE	168.00
CV0002	Veolia Water Projects Ltd	PO Box 3920, Swindon, SN5 1BW	1,262.99
CV0003	Veritas Prime	15 St Botolph Street, London, EC3A 7BB	48,600.00
CV0004	VO2 GROUP SAS	588is rue de lo Choussee d'Antin, Paris, 75009	10,952.17
CV0005	VODAFONE LTD	PO BOX 6231, NEWBURY, RG14 9LE	446.90
CW0000	WALL TO WALL COMMUNICATIONS LTD	Lewis Road, Sutton, SM1 4BR	624.00
CW0001	Warrington Borough Council (Rates)	New Rown House, Warrington, WA1 2NH	1,289.00
CW0002	Warwick District Council	Riverside House, CV32 5HZ	1,944.00
CW0003	Water Plus	PO Box 12460, Harlow, CM20 9PJ	533.49
CW0004	WD Limited	9-10 Staple Inn, London, WC1V 7QH	8,390.00
CW0005	Weber Packaging Solutions UK	Tranent, EH33 1HD	793.15
CW0006	Welsh Water	Pentwyn Road, Treharris, CF46 6LY	182.48
CW0007	Welton Bibby And Baron	West Wiltshire Trading Estate, BA13 4JT	315,396.07
CW0008	West Lothian Council-Rates	West Lothian Civic Centre, Livingston, EH54 6FF	1,185.00
CW0009	Westend Partners Ltd	124 Regina House Nyman Libson Paul, London, Camden, NW3 5JS	20,000.00
CW000A	Westfield Contributory Health Schem	87 Division Street, S1 1HT	2,866.95
CW000B	WESTFIELD SHOPPING TOWNS	71 MIDCITY PLACE, LONDON, WC1V 6EA	22,444.34
CW000C	Westgate Oxford Alliance	100 Victoria Street, London, SW1E 5JL	21,194.00
CW000D	Whiterose Services Uk Ltd	Unit C, Winston Business Park, Chruchill Way, Sheffield, S35 2PS	46,733.81
CW000E	Wigan Mbc	Moore Street East, Wigan, WN1 3DS	1,622.00
CW000F	Wiley Rein LLP	2050 M Street NW, Washington, DC20036	1,408.49
CW000G	Wilmot-Budgen Ltd	52 Ullswater Crescent, Coulsdon, Surrey, CR5 2HR	11,251.20
CW000H	WILTSHIRE COUNCIL	PO Box 4385, Wiltshire, BA14 4DS	3,526.00
CW000I	WJP LAW	Rue des fabriques, Brussels, 1000	190.72

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B - Company Creditors

Key	Name	Address	£
CW000J	WM REPLY LTD	38 GROSVENOR GARDENS, LONDON, SW1W 0EB	33,600.00
CW000K	Woking Borough Council	Civic Offices, GU21 6YL	1,620.00
CW000L	Womble Bond Dickinson (UK) LLP	4 More London Riverside, Greater London, SE1 2AU	1,773.60
CW000M	Wong & Partners	Level 21, Suite 21.01, Kuala Lumpur, 50088	396.31
CW000N	Workman (Service Charge)	4th Floor, Wiltshire, SN1 1DA	287.24
CW000O	Workman LLP	70 Redcliffe Street, Bristol, BS1 6AL	9,200.00
CW000P	Workman LLP	70 Redcliff Street, Bristol, BS15 6AL	3,308.11
CW000Q	Workman LLP	70 Redcliffe Street, Manchester, BS1 6AL	1,200.32
CW000R	WORLD INTELLECTUAL PROPERTY ORGANIZ	34 CHAMIN DES COLOMBETTES, GENEVA 20, GENEVA, 1211	4,848.29
CW000S	Worldpay (UK) Ltd	P.O. Box 27, Gateshead, NE8 1HJ	6.00
CW000T	Wycombe District Council(Rates)	Queen Victoria Road, HP11 1BB	1,102.00
CW000U	Wyre Council	Breck Road, Lancs, FY6 7PU	1,162.00
CX0000	XENITH DOCUMENT SYSTEMS	WAKLEY STREET, LONDON, EC1V 7LT	14,058.02
CX0001	XEROX FINANCE LTD	OXFORD ROAD, UXBRIDGE, UB8 1HS	129.65
CY0000	YA MUNTS I B EHNA SC DE RL DE CV	Colonia Roma CP 06700, Queretaro, 6700	14,216.88
CY0001	Yoon Yang Kim Shin & Yu	1340-6 Seocho-dong, 6175	123.01
CZ0000	Zebra Technology Europe Limited	Milliboard Road, Bourne End, SL8 5XF	2,616.00
CZ0001	Zellis UK Limited	740 Waterside Drive , Aztec West, Almondsbury, Bristol, Gloucestershire, BS32 4UF	27,907.19
CZ0002	ZENDESK, INC.	989 MARKET STREET, SAN FRANCISCO, CA94103	9,900.00
CZ0003	Zhongshan Fulin Cosmetics Co. Ltd	Tianchengwei, Beizhou Third Economical Cooperative, Shenglong Village, Dongsheng Town, Zhongshan City, Guangdong Province, 528414, China	264,717.28
652 Entries Totalling			44,626,414.43

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

**FRP Advisory Trading Limited
The Body Shop International Limited
B1 - Company Creditors - Employees & Directors**

Key	Name	Address	Pref £	Unsec £	Total £
0	Entries Totalling		0.00	0.00	0.00

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP Advisory Trading Limited
The Body Shop International Limited
Company Registered Number: 01284170
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

This is Exhibit "F" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Proxy Form

The Body Shop International Limited

Name of Creditor/Member The Body Shop Canada Limited

Address 155 Wellington Street West, Toronto, Ontario, M5V 3J7

Name of Proxy Holder _____

Please insert name of person (who must be 18 or over) or the chair of the meeting, if you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 Thomas Birt of Macfarlanes LLP

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder:

1. At the specific meeting of creditors to be held on 2 May 2024, or at any adjournment of that meeting.

Or

2. In this and all subsequent proceedings

The proxy holder is to propose or vote as instructed below ~~(and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).~~

VOTING INSTRUCTIONS FOR THE DECISION(S)		
1.	Approval of the Joint Administrators' proposals with or without modifications	FOR
2.	That a creditors' committee is not established Where you are in favour of the establishment of a committee you must vote "Against" to this decision and provide the contact details for the member of the committee for your vote in favour of appointing a committee to be accepted Proposed Committee Member (complete below only if applicable): Creditor Name: _____ Creditor contact details: Name: _____ E mail: _____ Tel no: _____	FOR
3.	For the acceptance of the resolution that the Administrators' pre-appointment fees and expenses as set out in Appendix D of the proposals be paid as an expense of the administration	FOR

4.	The Joint Administrators' fees plus VAT to be approved on the following basis: The Joint Administrators' fees plus VAT should be approved on a time cost basis charged at the charge out rates prevailing at the time the work is undertaken, capped at the sum set out in the fees estimate without further approval. The fees estimate together with a schedule of current charge out rates are set out in Appendix C of the Administrators' proposals.	FOR	197
5.	Mileage can be recharged at the HMRC approved mileage rate prevailing at the time the mileage was incurred.	FOR	
6.	The Joint Administrators' discharge from liability shall take effect in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986 30 days following either the Company entering liquidation or CVA or filing the notice of moving from administration to dissolution.	FOR	

This document must be signed:	
Name in capital letters	JORDAN SEARLE
Signature	
For and on behalf of	The Body Shop Canada Limited
Relationship or authority to sign (eg director/accountant/member)	President, North America
If signing on behalf of a body corporate please indicate if you are the sole member	NO
Date	30 April 2024

This is Exhibit "G" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

To All Known Creditors and Members

Your ref:

Our ref: B2999LON/AO047em/TSE/AWS

Please Contact: Alex Williams

Telephone Number: 020 3005 4108

Email Address: Alex.Williams@frpadvisory.com

Date: 21 May 2024

Dear Sirs

THE BODY SHOP INTERNATIONAL LIMITED (IN ADMINISTRATION) ("THE COMPANY")

Following the appointment of Joint Administrators in February efforts have been made to stabilise the business and effect various restructuring initiatives. To date there have been efforts to deliver a rescue of the Company by proposing a Company Voluntary Arrangement ("CVA") to creditors. Prior to launching a CVA efforts have been made to engage with key stakeholders to agree terms over various matters.

Despite the engagement of these key stakeholders, it has not been possible to reach the necessary agreements for a CVA to be launched. The Joint Administrators have therefore decided to commence a sale process for the underlying business and assets of the Company. We remain encouraged by the level of interest received to date from interested parties.

The Body Shop remains an iconic brand and following the structural changes we have made to the business since our appointment we consider it has a viable future. This will be showcased to potential acquirors during the sale process.

Updates will be provided to creditors as appropriate and in line with statutory requirements.

Should you have any queries or require any further information please contact my colleague detailed at the top of this letter.

Yours faithfully
For and on behalf of
The Body Shop International Limited



Anthony John Wright
Joint Administrator

Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales and bound by the Insolvency Code of Ethics

The Joint Administrators act as agents of the Company and without personal liability.

The Company entered Administration on 13 February 2024. The affairs, business and property of the Company are being managed by the appointed Joint Administrators Anthony John Wright, Alastair Rex Massey and Geoffrey Paul Rowley.

This is Exhibit "H" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

From: Geoff Rowley <Geoff.Rowley@frpadvisory.com>

Sent: Monday, May 20, 2024 4:39:54 PM

To: Peacock, Natalie (NZZP) <Natalie.Peacock@macfarlanes.com>; Patrick Donnan <Patrick.Donnan@frpadvisory.com>; Tony Sturge <Tony.Sturge@frpadvisory.com>; Tony Wright <Tony.Wright@frpadvisory.com>; Ong, Zhi S. <zong@jonesday.com>; Alastair Massey <Alastair.Massey@frpadvisory.com>; rmuir@jonesday.com <rmuir@jonesday.com>; David Harding (dharding@JonesDay.com) <dharding@JonesDay.com>; Julian Greenup <Julian.Greenup@frpadvisory.com>

Cc: MacParland, Natasha <NMacParland@dwvpv.com>; Renner, Natalie <nrenner@dwvpv.com>; Bains, Jatinder (JXB) <Jatinder.Bains@macfarlanes.com>

Subject: RE: The Body Shop Canada [MACS-LIVE_LIB.FID7639022]

External Email / Courriel externe

Natalie

In relation to the current position with TBSI you are likely to have noted the press coverage that a sale process for the business and assets is to be undertaken.

Over recent weeks there has been ongoing dialogue between ourselves as joint administrators, Aurelius as the shareholder, Avon as a key supplier/significant creditor and Natura as the former owner with ongoing claims against the acquiring Aurelius entity.

Despite all parties seeking to find a workable solution, such that we could launch a Company Voluntary Arrangement, it has been concluded by the parties that this will not be possible. That has meant that we need to pivot to undertaking a sale process which will commence tomorrow.

Whilst we cannot presently predict the outcome we remain encouraged by the level of interest shown in the business and assets of TBSI including from a good number of highly credible interested parties.

As you are aware there is somewhat of a looming deadline for TBSI around placing orders for the peak trading period in November and December and accordingly we are looking to run a timely sales process. At this time (which may be subject to change) we are inviting initial bids by 10th June 2024 with a target completion date of 27th June 2024.

It is our hope that we shall secure a transaction that will allow for the majority of the current business of TBSI to continue (whether own store portfolio, owned subsidiaries, franchise partners and wholesale channels).

In the meantime we shall continue to engage with Alvarez and Marsal and local management in Canada in relation to the ongoing supply of stock.

Kind regards

Geoff Rowley
Joint Administrator

Geoff Rowley

Partner

Restructuring Advisory

DDI: +44(0)20 3005 4289

Mob: +44(0)7785 788 011

Tel: +44(0)20 3005 4000

geoff.rowley@frpadvisory.com

FRP Advisory Trading Limited

110 Cannon Street

London EC4N 6EU

FRP



[→ Visit our website](#)



 EIGHT INTERNATIONAL

This is Exhibit "1" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

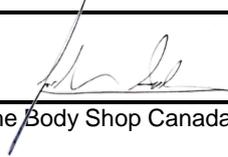
Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Rule 14.4**PROOF OF DEBT - GENERAL FORM**

The Body Shop International Limited		
Relevant Date: 13 February 2024		
1.	Name of Creditor (If a company please also give company registration number)	The Body Shop Canada Limited 417311-2
2.	Address of Creditor for correspondence	Please see the appended contact information sheet ("Appendix A").
3.	Email address	Please see the appended contact information sheet ("Appendix A").
4.	Total amount of claim, (including any Value Added Tax) as at the relevant date, less any payments received after the relevant date, trade and other usual discounts and any other amounts to be set off.	£25,770,985.79 (CAD\$44,015,347.21 based on the CAD/GBP exchange rate published by the Bank of Canada on 13 February 2024)
5.	If amount in 4 above includes outstanding uncapitalised interest please state amount	Not applicable
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	Please see the appended continuation sheet ("Appendix B").
7.	Particulars of any security held, the value of the security, and the date it was given.	Not applicable
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	Not applicable
9.	Details of any document by which the debt can be substantiated [Note there is no need to attach these now but the office holder may call for any document or evidence to substantiate the whole or any part of a claim]	Please see the appended list of substantiating documents ("Appendix C").

This document must be signed:	
Name in capital letters	JORDAN SEARLE
Address	510-1 Yorkdale Avenue Toronto, ON M6A 3A1
Email Address	jordan.searle@thebodyshop.com
Signature	
For and on behalf of	The Body Shop Canada Limited
Relationship or authority to sign (eg director/accountant/member)	President, North America
If signing on behalf of a body corporate please indicate if you are the sole member	No
Date	30 April 2024

Appendix A
Contact Information Sheet

DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West
Toronto, ON M5V 3J7

Attention: Natasha MacParland
Email: NMacParland@dwpv.com

The Body Shop Canada Limited

510-1 Yorkdale Avenue
Toronto, ON M6A 3A1

Attention: Jordan Searle
Email: jordan.searle@thebodyshop.com

CASSELS BROCK & BLACKWELL LLP

Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Attention: Jane Dietrich
Email: jdietrich@cassels.com

ALVAREZ & MARSAL CANADA INC.

Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1

Attention: Joshua Nevsky
Email: jnevsky@alvarezandmarsal.com

Appendix B
Continuation Sheet

(see attached)

THE BODY SHOP INTERNATIONAL LIMITED (IN ADMINISTRATION) - PROOF OF DEBT OF THE BODY SHOP CANADA LIMITED – PARTICULARS OF HOW AND WHEN DEBT INCURRED (as at May 1, 2024)

- 1 We refer to:
 - 1.1 a market supply and royalty letter between The Body Shop International Limited (“**TBSIL**”) and The Body Shop Canada Limited (“**TBS Canada**”) dated 1 January 2016 (the “**Market Supply Agreement**”);
 - 1.2 an agreement for the provision of services by and between TBSIL and TBS Canada dated 16 November 2016 (the “**Services Agreement**”); and
 - 1.3 a financing agreement between TBSIL and TBS Canada dated 19 June 2017 and an amendment thereto dated 26 June 2018 (the “**Financing Agreement**”).
- 2 TBSIL has historically controlled several functions of TBS Canada, including account/finance, treasury, tax, human resources, payroll, information technology, real estate, marketing, procurement and logistics services (the “**Shared Services**”). This was achieved through a cash management system and cash pooling arrangement (the “**Cash Pooling Arrangements**”). Pursuant to the Cash Pooling Arrangement, all of TBS Canada’s funds were deposited in certain accounts held by TBS Canada at Royal Bank of Canada (formerly HSBC Bank Canada) (the “**RBC Accounts**”) and then swept by TBSIL daily. The daily cash sweeps were recorded through an intercompany account and generated intercompany receivables between TBSIL and TBS Canada. TBSIL would use the swept funds to pay TBS Canada’s payables upon direction by TBS Canada and to pay intercompany receivables owing to TBSIL.
- 3 Pursuant to the Market Supply Agreement, TBSIL is required to pay market support payments to TBS Canada if TBS Canada does not meet a designated operating income threshold. If TBS Canada exceeds the operating income threshold, it is charged a franchise fee that is payable to TBSIL.
- 4 In addition to the Shared Services, the fees payable under the Marketing Supply Agreement, and amounts owing for inventory purchases from TBSIL, among other intercompany payables, were administered through the Cash Pooling Arrangements.
- 5 The Services Agreement and the Financing Agreement, taken together, (a) provide TBSIL with the authority to make decisions regarding the operations and cash management of TBS Canada, and (b) establish the Cash Pooling Arrangements and the ability of TBSIL to sweep the RBC Accounts.
- 6 Pursuant to the Services Agreement, TBS Canada authorized TBSIL to act as its treasury manager (in such capacity, the “**Treasury Manager**”) and make decisions in relation to its cash management. In exchange, TBSIL provided the Shared Services to assist TBS Canada in the operation and management of its business.
- 7 The Financing Agreement established loan facilities between TBSIL and TBS Canada that comprised (a) revolving loan facilities made available by both TBSIL and TBS Canada to the other party (each, a “**Revolving Loan Facility**”), (b) an overdraft facility, pursuant to which TBS Canada had the ability to draw amounts from TBSIL (the “**Overdraft Facility**”), and (c) a deposit facility under which TBS Canada deposited amounts to be drawn (or swept) by TBSIL (the “**Deposit Facility**”). The intercompany receivables owing between TBSIL and TBS Canada were recorded and settled through these loan facilities.
- 8 Under the Services Agreement and Financing Agreement, the Cash Pooling Arrangements were structured such that:
 - 8.1 transfers would be made as required to or by TBSIL from or to TBS Canada in an amount determined by TBSIL, either for itself or in its capacity as Treasury Manager. To the extent that funds were transferred from TBS Canada to TBSIL, it

was recorded as a deposit under the Deposit Facility and to the extent that money was transferred from TBSIL to TBS Canada, it was recorded as a loan under the Overdraft Facility; and

- 8.2 from time to time, the (i) aggregate amount of deposits were deemed as loans from TBS Canada to TBSIL under the relevant Revolving Loan Facility and (ii) the amount outstanding under the Overdraft Facility were deemed as loans from TBSIL to TBS Canada under the relevant Revolving Loan Facility.
- 9 In the weeks leading up to TBSIL filing for administration, it swept cash from the RBC Accounts but failed to remit payment for amounts owing to TBS Canada's vendors/suppliers and landlords. This created an immediate liquidity crisis for TBS Canada and significant outstanding payables.
- 10 As a direct result of TBSIL's actions, TBS Canada was forced to file a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (the "**NOI Proceedings**"). TBS Canada continues to incur significant financial, legal and other professional fees associated with the NOI Proceedings. This amount is approximately £641,740 (approximately CAD\$1,100,000 based on the CAD/GBP exchange rate published by the Bank of Canada on 29 April 2024) to date and is to increase as the proceedings in Canada, the United States and the United Kingdom progress.
- 11 TBS Canada has accrued additional costs associated with the NOI Proceedings that it would not have contracted but for the actions of TBSIL. These costs are expected to total approximately £1,161,200 (approximately CAD\$2,000,000 based on the CAD/GBP exchange rate published by the Bank of Canada on 4 March 2024) for expenses related to, among other things, (i) fees paid to landlords associated with the closure of thirty-three stores, (ii) additional costs paid in connection with acquiring inventory outside the ordinary course of business due to interruptions in the supply chain stemming from TBS Canada's U.S. affiliate, Buth-Na-Bodhaige Inc.'s Chapter 7 bankruptcy proceedings and (iii) a key employee retention program designed to retain and incentivize certain employees who perform important management or business functions with institutional knowledge and skills that are irreplaceable, making their continued engagement vital to TBS Canada's operations.
- 12 The filing of this Proof of Debt does not constitute an admission as to the validity, amount, or classification of the debt, nor does it constitute a release, discharge, waiver or compromise of any rights, remedies or claims, whether legal, equitable, or statutory against (i) the Aurelius Group¹ ("**Aurelius**"), Natura International Inc. ("**Natura**"), any of their subsidiaries and affiliates or any other interested party and (ii) the employees, advisors, directors and officers of TBSIL, Aurelius, Natura, any of their subsidiaries and affiliates or any other interested party. Our rights are expressly reserved notwithstanding any terms or provisions to the contrary in any documentation or in any communication from TBS Canada to TBSIL or its representatives.
- 13 TBS Canada in its sole discretion reserves the right to amend, alter, change, revise, withdraw, increase or add new heads of damage to this Proof of Debt as necessary at any time after the date first written above.

¹ Including Aurelius IV UK Acquico Seven Ltd., Aurelius IV UK Acquico Eight Ltd., Aurelius Investment Lux One Sarl, and Aurelius European Opportunities IV, S.C.A. SICAV-RAIF.

Appendix C
List of Substantiating Documents

The documents listed below provide details by which the debt can be substantiated:

1. A market supply and royalty letter between The Body Shop International Limited (“**TBSIL**”) and The Body Shop Canada Limited (“**TBS Canada**”) dated 1 January;
2. An agreement for the provision of services by and between TBSIL and TBS Canada dated 16 November 2016; and
3. A financing agreement between TBSIL and TBS Canada dated 19 June 2017 and an amendment thereto dated 26 June 2018.

This is Exhibit "J" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

REAL ESTATE LICENSE AGREEMENT

This REAL ESTATE LICENSE AGREEMENT (this "**License Agreement**"), made to be effective as of April 1, 2024, is between Kenneth P. Silverman, Esq., the chapter 7 trustee (the "**Chap 7 Trustee**") for the bankruptcy estate of Buth-Na-Bodhaige, Inc. d/b/a The Body Shop, a Delaware corporation (the "**Debtor**" or "**Licensor**"), having an address of 100 Jericho Quadrangle, Suite 300, Jericho, NY 11753, The Body Shop Canada Limited, a corporation governed by the federal laws of Canada, having an office at 510-1 Yorkdale Avenue, Toronto, Ontario M6A 3A1 ("**Licensee**"), and consented to by Alvarez & Marsal Canada Inc., having an office at 200 Bay Street, Toronto, Ontario M5J 2J1, solely in its capacity as Proposal Trustee of Licensee, and not in its personal or corporate capacity (the "**Proposal Trustee**").

WHEREAS, on the 1st day of March, 2024, Licensee filed a Notice of Intention to Make a Proposal pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act (Canada), R.S.C. 1985, c. B-3 and the Proposal Trustee was appointed;

WHEREAS, on the 8th day of March, 2024, the Debtor filed a voluntary petition for relief under chapter 7 of the Title 11 of the United States Code, 11 U.S. C. §101 *et seq.*, in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**");

WHEREAS, Licensor is the fee owner of the real property located at 5036 One World Way, Wake Forest, North Carolina 27587 (the "**Property**");

WHEREAS, the parties desire by this License Agreement to provide for the licensing by Licensor to Licensee of the right to use and occupy a portion of the Property, consisting of a building containing approximately 145,000 square feet of warehouse space, as more particularly identified on Exhibit A attached hereto and made a part hereof (the "**Licensed Area**"); and

WHEREAS, the Proposal Trustee consents to Licensee's entry into this License Agreement and performance of its obligations hereunder.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. License. Licensor hereby grants to Licensee, and Licensee hereby accepts, a revocable, non-exclusive access license (the "**License**") to use and occupy the Licensed Area solely and exclusively for the purposes hereafter provided for the License Period (as defined in Section 2). Licensee and its employees, agents, contractors, temporary workers, and invitees are, except as otherwise specifically provided in this License Agreement, authorized to use parking areas (collectively, the "**Common Areas**"), subject to the Property's rules and regulations. The parties do not intend to create a lease or any other interest in real property for Licensee through this License Agreement, and the parties only intend to create a license that is revocable at will by either Licensor or Licensee as provided herein.

Without additional charge, during the License Period, Licensee shall have the right to use Licensor's furniture, fixtures, and furnishings that may be located in the Licensed Area on the Commencement Date (as defined in Section 2) ("**Licensor's Personal Property**"), to be returned to Licensor on the Expiration Date (as defined in Section 2) or earlier termination of the License Period pursuant to the terms and conditions of this License Agreement. Throughout the License Period, Licensee shall take good care of the Licensed Area and Licensor's Personal Property.

Licensee has inspected the Licensed Area and agrees to accept the Licensed Area and Licensor's Personal Property "AS-IS", "WHERE-IS" and "WITH ALL FAULTS" on the date hereof. THE PARTIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LICENSE AGREEMENT, THE LICENSED AREA, LICENSOR'S PERSONAL PROPERTY, OR THE PROPERTY OR

THE REAL PROPERTY OR PROPERTY INTERESTS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The Proposal Trustee hereby irrevocably consents to Licensee's entry into this Licensing Agreement and performance of its obligations hereunder.

2. License Period. The License shall commence as of April 1, 2024 (the "**Commencement Date**"), and subject to sooner termination or extension as hereafter provided, shall expire on June 30, 2024 (the "**Expiration Date**"). The period between the Commencement Date and the Expiration Date, as it may be extended or sooner terminated as provided below, shall be referred to as the "**License Period**".

(a) Extension. Notwithstanding the foregoing, Licensee shall have three (3) options to extend the Expiration Date for a period of thirty (30) days, which Licensee may exercise by delivering written notice to Licensor of its intention to exercise such option no less than five (5) Business Days prior to the Expiration Date (as it may be extended).

(b) Termination. This License Agreement may only be terminated prior to June 30, 2024 by agreement in writing between Licensor and Licensee. Notwithstanding the foregoing, this License Agreement shall be revocable by either party at any time after June 30, 2024 (such termination of this License Agreement, a "**Termination Event**"); provided that the terminating party delivers to the non-terminating party five (5) Business Days' prior written notice of its election to terminate (a "**Termination Notice**"). The Termination Notice shall state the date of termination, which shall be no less than five Business' Days after delivery of the Termination Notice (the "**Termination Date**") and shall be sent in accordance with the notice requirements of this License Agreement. On or before the Termination Date, Licensee shall deliver the Licensed Area in accordance with the provisions of Section 18 of this License Agreement.

3. License Fee.

(a) Licensee shall pay Licensor a license fee (the "**License Fee**") for the Licensed Area in the amount of One Hundred Thousand and 00/100 United States Dollars (US\$100,000.00) per month throughout the License Period.

(b) Upon the execution of this Agreement, Licensee shall pay to Licensor an amount equal to Two Hundred Thousand and 00/100 United States Dollars (US\$200,000.00) which satisfies the License Fee for the months of April 2024 and May 2024 (the "**Initial Fee**"), provided, however, the Initial Fee shall be reduced by Seventy-Nine Thousand United States Dollars (US\$ 79,000) as a credit for prior amounts expended by Licensee on behalf of Licensor.

(c) Beginning on June 1, 2024, the License Fee shall be payable by Licensee to Licensor in advance each calendar month during the License Period, by no later than the first (1st) day of each month, and shall be made payable to Licensor in United States dollars and delivered to Licensor by wire transfer pursuant to the wire instructions annexed hereto as Exhibit B at the address specified herein or such other address as Licensor may designate by written notice from time to time.

(d) If there is a Termination Event, and the Termination Date is not the last day of the month, the License Fee for such month shall be prorated, and Licensee shall receive a refund of the excess amount paid within five (5) Business Days after the Termination Date.

4. Security Deposit. Licensee shall pay Licensor a refundable security deposit fee in the amount of Fifty Thousand and 00/100 United States Dollars (US\$50,000.00) ("**Security Deposit**") upon the execution of

this License Agreement. Licensor shall refund the Security Deposit within five (5) Business Days after the expiration or earlier termination of this License; provided, however, in the event Licensee does not deliver the Licensed Area in the condition required by this License Agreement, all or a portion of the Security Deposit may be retained by Licensor and applied to restore the Licensed Area to the condition required by Section 18 of this License Agreement.

5. Operating Expenses. Licensor shall provide basic utilities to the Licensed Area during the Licensed Period and promptly pay for all Operating Costs (as defined below) directly to the relevant payee unless otherwise instructed in writing by Licensee. If payment on any Operating Costs shall not be made on or prior to the relevant due date, Licensor shall promptly pay for any late charges, penalties and interest associated with such late payment. Licensee shall use reasonable diligence to promptly forward to Licensor all bills, invoices, statements, notices, mail correspondence, or any other communications received by Licensee relating to the Licensed Area or the Property.

As used herein, “**Operating Costs**” shall mean all costs and expenses relating to the ownership, operation, maintenance and management of the Property including, but not limited to, the following:

- (a) operation, repair and maintenance, (including replacement as needed), in neat, clean, good order and condition, of the Property;
 - (b) the cost of water, gas, electricity, telephone, sewer and any other utilities serving the Property;
 - (c) any form of real estate tax or assessment, general, special, ordinary or extraordinary; any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal net income or estate taxes) imposed upon the Property by any authority having the direct or indirect power to tax, including any city, state or federal government; any school, agricultural, sanitary, fire, street, drainage, transit or traffic mitigation (including area-wide traffic improvement assessments and transportation system management fees), or other improvement district thereof, levied against any legal or equitable interest of Licensor in the Property or any portion thereof (collectively, “**Real Estate Taxes**”);
 - (d) the cost of the premiums for the insurance policies maintained by Licensor for the Property;
- and
- (e) any deductible portion of an insured loss concerning the Property.

6. Use. The Licensed Area shall be used for storage, picking, packing, and delivery of merchandise and for no other purpose except as may be agreed upon by Licensor in writing in its sole and absolute discretion.

7. Compliance with Laws and Regulations.

- (a) Licensee shall promptly comply with all present and future:
 - (i) rules and regulations published by Licensor (if any) including, without limitation, regulations applicable to use, storage, and disposal of hazardous substances and waste and other environmental matters, security policies and procedures, which have been published from time to time with respect to the use of and access to the Licensed Area, provided Licensee has received a copy of them; and
 - (ii) applicable laws and regulations of all state, federal, municipal, and local governments, departments, commissions and boards and any direction of any public officer

pursuant to law (collectively, "**Laws**") having jurisdiction which shall impose any obligation or duty upon Licensor or Licensee with respect to the Licensed Area; except that: (A) such compliance by Licensee shall relate only to Licensee's use and manner of use of the Licensed Area; and (B) Licensee's financial obligations for the Licensed Area shall not exceed the License Fee paid by Licensee for one month of the License Period. In addition, Licensee agrees to cooperate with Licensor and do all things reasonably necessary for Licensor to comply with Laws.

(b) To the extent Licensee is not required to comply with any Laws pursuant to subparagraph (a) above, Licensor shall comply with such Laws applicable to the Licensed Area.

8. Access. Licensee, its employees, contractors, temporary workers, and agents shall have the right of access to the Licensed Area and Common Areas twenty-four (24) hours per day, seven (7) days per week; provided, however, Licensor, its employees, contractors, and agents shall also at all times have access to the Licensed Area, no consent of Licensee being required for any such access at any time.

9. Repairs. Throughout the License Period, Licensee shall take good care of the Licensed Area and the furniture, furnishings, fixtures, and appurtenances therein. Licensee shall also be responsible for the cost to repair any damage to the Licensed Area other than damage from the elements, fire, or other casualty to the Property, or from the gross negligence or intentional misconduct of Licensor, or its agents, contractors, temporary workers or employees. The repair obligations outlined herein shall survive any cancellation, expiration, or termination, for any reason, of this License Agreement.

10. Damage and Destruction.

(a) Neither Licensor nor Licensee shall have any responsibility to the other or their respective agents, contractors, temporary workers, tenants, or other invitees in the event of any damage to or theft or loss of any equipment or property of the other party and the party incurring such damage, theft, or loss shall look to its own insurance coverage (and to any self-insured portion of the damage, theft, or loss), if any, for recovery in the event of any such damage, theft, or loss.

(b) If all, or a portion, of the Licensed Area is destroyed or damaged by fire or other casualty, Licensor shall, subject to the following provisions of this Section, promptly proceed after adjustment of the insurance loss (if any) to repair such damage and restore the Licensed Area (but not Licensee's installed property and equipment therein) to the condition existing prior to such damage. The License Fee applicable to such damaged Licensed Area shall abate (entirely if all of the Licensed Area is damaged and rendered unusable and proportionately if only a portion of the Licensed Area is damaged and rendered unusable) from the date of the casualty to the date when Licensor shall have so repaired and restored the Licensed Area (or damaged portion thereof). If the time required to complete the repairs is estimated by a contractor, retained by Licensor, exceeds sixty (60) days, either Licensor or Licensee may terminate this License Agreement by notice to the other within five (5) Business Days after receipt of the estimate.

11. Insurance.

(a) Licensee shall, at its own cost and expense, maintain and keep in force at all times during the License Period:

(i) commercial general liability, property and casualty insurance, which shall include coverage against claims for personal injury, death, or property damage occurring on, in, or about the Licensed Area with limits of not less than US Seven Million Dollars

(US\$7,000,000.00) with respect to the Licensed Area, Licensor's Personal Property, and Licensee's conduct of business therein; Licensor shall be named as an additional insured; and

(ii) employers' liability and workers' compensation insurance to the extent required by the Laws of North Carolina.

(b) Notwithstanding anything to the contrary set forth in this License Agreement, Licensor and Licensee hereby release one another and their respective partners, officers, employees, and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

12. Mutual Indemnification. Each of Licensor and Licensee (an (or the) "**Indemnifying Party**") shall indemnify, defend, save, and hold harmless the other Indemnifying Party, and its officers, directors, members, partners, employees, agents, contractors, temporary workers, affiliates, successors, and permitted assigns (collectively, the "**Indemnified Parties**") against all claims made or judicial or administrative actions filed which allege that any of the Indemnified Parties is liable to the claimant by reason of:

(a) any injury to or death of any person, or damage to or loss of property, or any other thing occurring on or about any part of the Property, or in any manner growing out of, resulting from or connected with the use, condition or occupancy of the Licensed Area if caused by any negligent or wrongful act or omission of the Indemnifying Party or its agents, partners, contractors, temporary workers, employees, permitted assigns, licensees, sublessees, invitees, or any other person or entity for whose conduct the Indemnifying Party is legally responsible;

(b) violation by the Indemnifying Party of any contract or agreement to which the Indemnifying Party is a party in each case affecting any part of the Licensed Area or the occupancy or use thereof by the Indemnifying Party; and

(c) violation of or failure to observe or perform any condition, provision, or obligation of or under this License Agreement on the Indemnifying Party's part to be observed or performed hereunder. The indemnity obligations outlined herein shall survive any cancellation, expiration, or termination, for any reason, of this License Agreement.

13. Assignment or Sublicensing. The license granted hereby is personal to Licensee and shall not be assigned, nor shall Licensee sublicense or otherwise permit or suffer the occupancy of the Licensed Area by any third party without the prior written consent of Licensor, which consent may be withheld in Licensor's sole and absolute discretion.

14. Alteration; Restoration. Licensee may not make any alterations, installations, additions, or improvements in or to the Licensed Area without the prior written consent of Licensor, which consent may be withheld or conditioned in Licensor's sole and absolute discretion. Any signage to be used by Licensee with respect to the Licensed Area must be approved in writing by Licensor, which approval may be withheld or conditioned in Licensor's sole and absolute discretion. If Licensor's consent is given, Licensor shall simultaneously notify Licensee if any alteration must be removed and the affected Licensed Area restored, at Licensee's sole cost and expense, before the Expiration Date or sooner termination of the License Period. In the absence of any such notice, any permitted alteration must be removed, and the affected Licensed Area restored, at Licensee's sole cost and expense, when this License Agreement terminates.

15. Default. If either party defaults in the performance of any of its obligations hereunder, and such default continues for more than five (5) Business Days after receipt of written notice from the non-defaulting party, the non-defaulting party shall have the right to terminate this License Agreement and pursue any other remedies available at law or in equity, except as limited in Section 14 hereof.

16. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LICENSE AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, PUNITIVE, SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES WHATSOEVER, INCLUDING LOSS OF GOODWILL OR LOSS OF PROFITS.

Licensor and Licensee agree that none of their respective directors, officers, employees, shareholders, contractors, temporary workers, or any of their (or any of those parties') respective agents shall have any personal obligation hereunder and that Licensor and Licensee shall not seek to assert any claim or enforce any of their rights hereunder against any of such parties.

17. Notices.

(a) Any notice, demand, request, or other communication hereunder shall be in writing. Communications may be delivered and shall be deemed to have been given by the delivering party and received by the receiving party: (i) when delivered by hand; (ii) one day after deposit with a nationally recognized overnight courier or delivery service if sent priority overnight delivery; or (iii) on the date sent with confirmation of transmission by electronic mail, if such contact information has been given to the other party, if sent during normal business hours of the recipient, and if also transmitted by one of the other means permitted hereunder.

(b) Any notice, demand, request, or communication by Licensor to Licensee shall be addressed to Licensee at its address stated in the preamble hereto, Attention: Jordan Searle and by email to jordan.searle@thebodyshop.com, unless otherwise directed in writing by Licensee by notice similarly given. A copy of any notices to Licensee shall be sent simultaneously to Licensee's counsel: Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, ON M5V 3J7, Canada, Attention: Natasha MacParland, and by email to NMacParland@dwpv.com; and to the Proposal Trustee: Alvarez & Marsal Canada Inc., Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J 2J1, Attention: Joshua Nevsky and by email to jnevsky@alvarezandmarsal.com; and to the Proposal Trustee's counsel: Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4, Attention: Jane Dietrich and by email to jdietrich@cassels.com, until otherwise directed in writing by Licensee by notice similarly given.

(c) Any notice, demand, request, or communication by Licensee to Licensor shall be addressed to Licensor at its address stated in the preamble hereto, Attention: Kenneth P. Silverman, Chap 7 Trustee, unless otherwise directed in writing by Licensor by notice similarly given. A copy of any notices to Licensor shall be sent simultaneously to Licensor's attorney: Rimon PC, 100 Jericho Quadrangle Suite 300, Jericho, NY 11753, Attention: Brian Powers, Tel: 516-479-6357, until otherwise directed in writing by Licensor by notice similarly given.

(d) Rejection or other refusal to accept, or the inability to deliver because of a changed address of which no notice was given, shall be deemed to be receipt of the notice, demand, request, or communication sent.

18. Surrender. On or before the Expiration Date or sooner termination of the License Period for the Licensed Area, Licensee shall: (a) vacate and surrender full and complete possession of the Licensed Area to Licensor, vacant and broom clean, in its "as-is" condition and state of repair, subject only to: (i) Section 12 hereof;

(ii) reasonable wear and tear; (iii) damage by the elements, fire, or other casualty (unless such damage is caused by the negligence or wrongful act of Licensee, its employees or agents); and (iv) damage caused by the negligence or wrongful act of Licensor; (b) remove all furniture, electronic equipment, computers, and other personal property and furnishings from the Licensed Area which are owned or leased by Licensee; and (c) leave in place all of Licensor's Personal Property in its substantially similar condition as on the Commencement Date (reasonable wear and tear excepted). Licensee shall only be required to restore, alter, or improve the Licensed Area as specifically set forth in this License Agreement. The surrender obligations outlined herein shall survive any cancellation, expiration, or termination, for any reason, of this License Agreement. For greater certainty, Licensee has no obligation to remove or pay for the removal of any merchandise inventory that remains in the Licensed Area at the end of the License Period.

19. Subordination. This License Agreement and the license granted herein are subject and subordinate to all ground and underlying leases affecting the Property or the real property, and to all mortgages which may now or hereafter affect such leases, the Property, or the real property.

20. Warranties. EXCEPT AS SET FORTH IN THIS LICENSE AGREEMENT, THE PARTIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LICENSE AGREEMENT, THE LICENSED AREA, OR THE REAL OR PERSONAL PROPERTY OR PROPERTY INTERESTS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

21. Force Majeure.

(a) **"Force Majeure Event"** means any of the following events: (i) acts of God; (ii) floods, fires, earthquakes, explosions, or other natural disasters; (iii) war, invasions, hostilities (whether war is declared or not), terrorist threats or acts, riots or other civil unrest; (iv) governmental authority, proclamations, orders, laws, actions, or requests; (v) embargoes or blockades in effect on or after the date of this License Agreement; (vi) epidemics, pandemics, or other national or regional public health emergencies; (vii) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (ix) other similar events beyond the reasonable control of the parties.

(b) Neither party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this License Agreement, for any failure or delay in fulfilling or performing any obligation under this License Agreement (except for any obligations to make payments to the other party hereunder), when and to the extent such failure or delay is caused by a Force Majeure Event. The failure or inability of either party to perform its obligations in this License Agreement due to a Force Majeure Event shall be excused for the duration of the Force Majeure Event and extended for a period equivalent to the period of such delay, but not in excess of 30 days in the aggregate. Nothing contained in this Section shall excuse either party from paying in a timely fashion any payments due under the terms of this License Agreement or extend the term of this License Agreement.

(c) Either party (the "**Noticing Party**") shall give the other party notice within two (2) days of the commencement of the Force Majeure Event, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue. The Noticing Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Noticing Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the failure or delay remains uncured for a period of ten (10) consecutive days following written notice given by the Noticing Party under this Section, either party may thereafter terminate this License Agreement upon five (5) Business Days' written notice.

22. Miscellaneous.

(a) **Consent and Acknowledgement.** Without prejudice to the Proposal Trustee's irrevocable consent to Licensee's entry into and performance of its obligations under this License Agreement, Licensor and Licensee acknowledge and agree that the Proposal Trustee has no obligations or liability pursuant to this License Agreement of any kind.

(b) **Counterparts.** This License Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(c) **Governing Law/Jurisdiction.** This License Agreement shall be governed by and construed in accordance with the laws of the state where the Licensed Area is located. The parties expressly consent to the exclusive jurisdiction of the Bankruptcy Court with respect to any and all disputes arising out of or in connection with this License Agreement, without regard to choice of law.

(d) **Business Day.** As used herein, "**Business Day(s)**" shall mean all days, excluding the following days: Saturdays, Sundays, and all days observed as legal holidays in Toronto, Canada, or by the State of North Carolina, or the United States federal government.

(e) **Section Headings.** The section titles herein are for convenience only and do not define, limit, or construe the contents of such sections.

(f) **Attachment and Exhibits.** All attachments and exhibits to this License Agreement are hereby made a part hereof as if fully set out herein.

(g) **Severability.** If any provision or provisions in this License Agreement is/are found to be in violation of any law or otherwise unenforceable, all other provisions remain unaffected in full force and effect.

(h) **Binding Effect.** This License Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and shall not be modified except by an express written agreement signed by a duly authorized representative of both parties.

23. Bankruptcy Court Approval. This License Agreement is subject to the approval of the Bankruptcy Court. In the event the Bankruptcy Court fails to approve this License Agreement in its entirety, this License Agreement shall be null and void, and will have no further force and effect, and nothing contained herein shall be deemed an admission or waiver of the rights of any Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this License Agreement to be effective as of the date first above written.

LICENSOR:
BUTH-na-BODHIAGE, INC., a Delaware corporation, d/b/a The Body Shop

By: _____
Name: _____
Title: _____

LICENSEE:
THE BODY SHOP CANADA LIMITED, a corporation governed by the federal laws of Canada

By:  _____
Name: **Jordan Searle**
Title: **President**

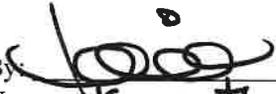
And consented to by

PROPOSAL TRUSTEE:
ALVAREZ & MARSAL CANADA INC., solely in in its capacity as Proposal Trustee of The Body Shop Canada Limited, and not in its personal or corporate capacity

By:  _____
Name: **Josh Nevsky**
Title: **Senior Vice President**

IN WITNESS WHEREOF, the parties hereto have duly executed this License Agreement to be effective as of the date first above written.

LICENSOR:
BUTH-na-BODHIAGE, INC., a Delaware corporation, d/b/a The Body Shop

By: 
Name: Kenneth Silverman
Title: chapter 7 trustee

LICENSEE:
THE BODY SHOP CANADA LIMITED, a corporation governed by the federal laws of Canada

By: _____
Name: _____
Title: _____

And consented to by

PROPOSAL TRUSTEE:
ALVAREZ & MARSAL CANADA INC., solely in its capacity as Proposal Trustee of The Body Shop Canada Limited, and not in its personal or corporate capacity

By: _____
Name: _____
Title: _____

EXHIBIT A LICENSED AREA

The approximately 145,000 square foot building located at 5036 One World Way, Wake Forest, NC and highlighted below.

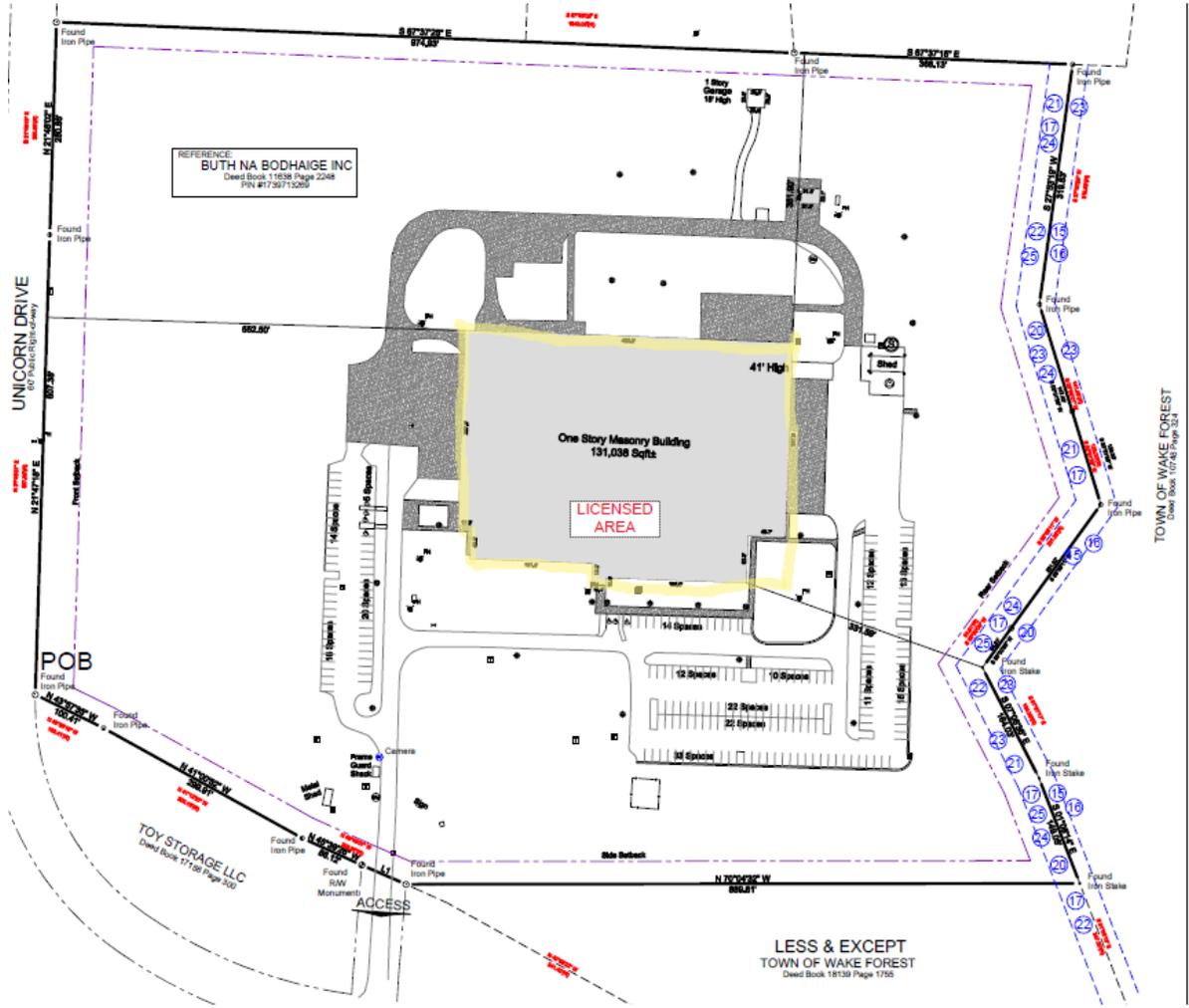


EXHIBIT B
WIRE INSTRUCTIONS

Wire instructions into the Trustee's Receivables Hold bank account for the bankruptcy estate of Buth-Na-Bodhaige Inc. d/b/a The Body Shop at Webster Bank:

Bank: Webster Bank
Two Blue Hill Plaza, Second Floor
Pearl River, NY 10965

Routing (ABA) Number: 221970443

Account Name: Buth-Na-Bodhaige Inc. - Receivables Hold Account

Bankruptcy Case No.: 24-10392 (DSJ)

Account No.: 6701124652

This is Exhibit "K" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

COUNSEL SLIP/ENDORSEMENT

**COURT FILE
NO.:**

BK-24-03050418-0031

DATE: April 24, 2024

NO. ON LIST: 1

TITLE OF

In the Matter of The Body Shop Canada Limited

PROCEEDING:

BEFORE: Justice Osborne

PARTICIPANT INFORMATION

For Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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Jane Dietrich	Counsel for the Proposal Trustee	jdietrich@cassels.com
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ENDORSEMENT OF JUSTICE OSBORNE:

1. Koskie Minsky LLP, (“KM”) as counsel to Stephanie Hood and other terminated employees of The Body Shop (“TBS”) seek to schedule a motion to seek an order appointing them as Representative Counsel for Terminated Canadian Employees.
2. TBS seeks to schedule a stay extension motion.
3. The KM Representative Counsel motion will be heard on **July 4, 2024 commencing at 10 AM and continuing as necessary for one half day before me via Zoom.** All counsel have confirmed their availability for that date, and have worked out a timetable for the delivery and exchange of materials to ensure that the matter is fully briefed and can proceed on the merits on that date.
4. The hearing date is further out than I would have preferred as a result of counsel schedules. TBS will continue to keep stakeholders, including employees and terminated employees, aware of significant events or matters directly affecting them in the usual course.
5. The stay of proceedings currently expires on May 31. The stay extension motion will be heard on **May 30, commencing at 10 AM via Zoom before Justice Cavanagh.**

Osborne, J.

This is Exhibit "L" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

Estate No.: BK-24-03050418-0031
Court File No.: BK- 31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF THE BODY SHOP CANADA
LIMITED, IN THE CITY OF TORONTO, IN THE PROVINCE
OF ONTARIO

**AFFIDAVIT #3 OF JORDAN SEARLE
Sworn May 10, 2024**

I, Jordan Searle, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am the General Manager, North America and the sole director of The Body Shop Canada Limited ("**TBS Canada**" or the "**Company**"). I have been the General Manager since February 10, 2023. I am also an officer and director of TBS Canada's U.S. affiliate, Buth-Na-Bodhaige Inc. ("**TBS US**"). I have been actively engaged in the discussions and negotiations surrounding the financial circumstances of TBS Canada prior to the commencement of these proceedings. As such I have personal knowledge of the matters referred to in this Affidavit. Where I have relied upon other sources of information, I have stated the source of that information and verily believe such information to be true.

2. On March 1, 2024 (the “**Filing Date**”), TBS Canada filed a notice of intention to make a proposal (the “**NOI**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3. Alvarez & Marsal Canada Inc. was appointed to act as the proposal trustee (the “**Proposal Trustee**”).

3. This Affidavit is sworn in connection with the motion (the “**Representation Motion**”) brought by Stephanie Hood seeking an order, among other things:

- (a) appointing Koskie Minsky LLP (“**Koskie Minsky**”) as representative counsel to all terminated employees of TBS Canada who were employed by the Company and terminated on or after the Filing Date (such counsel, “**Representative Counsel**”); and
- (b) that the costs incurred by Representative Counsel before and after the date of the order shall be paid by TBS Canada.

4. In connection with this NOI proceeding, I swore an affidavit dated March 1, 2024 (the “**Affidavit #1**”), a copy of which is attached to this Affidavit as **Exhibit “A**”, without the exhibits referred to therein. I also swore an affidavit dated April 8, 2024 (the “**Affidavit #2**”) and together with Affidavit #1, the “**Prior Affidavits**”), a copy of which is attached to my Affidavit as **Exhibit “B**”, without the exhibits referred to therein. Where relevant, I have repeated certain portions of the Prior Affidavits in this Affidavit.

A. Background and Overview

5. TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products with 72 stores across Canada.¹ TBS Canada and TBS US are indirect wholly owned subsidiaries of The Body Shop International Limited (“**TBS International**” or the “**UK Parent**”), which is indirectly owned by Aurelius IV UK Acquico Eight Limited. On February 13, 2024, the UK Parent filed for administration (the “**UK Administration**”) in the United Kingdom, which I understand is the dominant legal procedure for restructuring insolvent companies in the UK.

6. As I have explained in my Prior Affidavits, historically, the UK Parent provided several accounting and cash management functions for TBS Canada whereby all of TBS Canada’s cash collections were swept from TBS Canada by the UK Parent and then the UK Parent would remit payment on behalf of TBS Canada for its trade payables, including its rent and payroll. In the weeks leading up to the UK Administration, the UK Parent swept cash from TBS Canada’s bank accounts but failed to remit payment for amounts owing to the TBS Canada’s vendors, suppliers and landlords. This caused an immediate liquidity crisis for TBS Canada because all funding for the Company and its Canadian

¹ On the Filing Date, the Company operated 105 stores but has closed 33 of its stores as part of its restructuring efforts.

operations were cut off with no advance notice. As a result, TBS Canada has significant overdue payables that it could not satisfy—the key fact that led to these proceedings.

7. The principal purpose of this NOI proceeding is to enable TBS Canada to devise a viable proposal for the benefit of its stakeholders. As described in the Prior Affidavits, since the Filing Date, TBS Canada has acted in good faith and made diligent efforts to stabilize its operations and pursue a going-concern solution for the continuation of “The Body Shop” business in Canada.

8. On April 15, 2024, this Court made an order (the “**April 15 Order**”), among other things, extending the time for TBS Canada to file a proposal to May 31, 2024 and granting certain other relief that the Company required to allow it to continue its business operations and protect the value of its assets. A copy of the April 15 Order and endorsement are attached to my Affidavit as **Exhibit “C”**.

9. On April 12, 2024, TBS Canada was served with a copy of the Representation Motion. On April 24, 2024, this Court made an endorsement, among other things, scheduling the Representation Motion for July 4, 2024 (the “**April 24, 2024 Endorsement**”). A copy of the April 24, 2024 Endorsement is attached to my Affidavit as **Exhibit “D”**.

10. The Company has determined that it should oppose the Representation Motion. As I attempt to explain below in support of that determination, TBS Canada is concerned that the benefit of Representative Counsel to the efficient administration of these proceedings is minimal given (i) the lack of complexity in this proceeding and stakeholder claims; (ii) the duplication of efforts between Representative Counsel, the Company's counsel, and the Proposal Trustee; and (iii) the Company and Proposal Trustee's commitment to keep the Former Employees apprised of any updates in these proceedings. The Company is further concerned that the appointment and payment of fees of Representative Counsel will prejudice its other stakeholders, most especially landlords, because it would reduce the overall funds available for recovery.

B. The Former Employee Group and Claims

11. Before turning to the Company's evaluation of the benefits of Representative Counsel, I will provide some background regarding the Former Employees and their claims against TBS Canada.

(i) The Former Employees

12. As of the Filing Date, TBS Canada employed approximately 780 individuals across Canada. As part of its restructuring efforts, the Company has terminated approximately 220 individuals (collectively, the "**Former Employees**") since the Filing Date.

13. The Former Employees are predominantly comprised of former store-level employees. As described in my Prior Affidavits, the Company closed 33 underperforming stores in an effort to improve its liquidity position (collectively, the “**Closing Stores**”) and terminated the employment of the 197 employees whose employment related to the Closing Stores.

14. The balance of the Former Employees worked in TBS Canada’s head office and their employment was terminated as part of certain head-count reductions made by the Company, also to improve its liquidity position.

15. Approximately 70 of the Former Employees were salaried (20 of those being former head-office employees) and approximately 150 Former Employees were paid on an hourly basis.

16. Many of the Company’s employees, including the Former Employees, were hired through TBS Canada’s “Open Hiring” process. “Open Hiring” is a process whereby TBS Canada hires entry level positions on a first-come, first-serve basis, meaning the first applicant to apply receives the first call when a vacancy arises. The Company aspires to this process removing typical barriers to employment such as lack of experience, a criminal record or citizenship status. TBS Canada does not track whether its employees

have physical or mental disabilities nor does the Company track the family or marital status of its employees.

17. The Company continues to employ approximately 570 employees. As I have stated in my Prior Affidavits, at this time, TBS Canada does not have any further headcount reductions planned.

18. TBS Canada has continued to pay the wages and benefits of its current employees in the ordinary course. Further, TBS Canada has not proposed or implemented any changes to the terms and conditions of employment of its current employees, other than retention payments to certain key employees. Moreover, the Company has not sought to compromise or reduce the claims of its Former Employees.

(ii) The Claims of the Former Employees

19. The Former Employees have claims against TBS Canada in respect of the following: statutory termination and severance pay, health benefits coverage (or pay in lieu thereof), group RRSP contributions, vacation pay, bonuses, and in some circumstances, reasonable notice damages at common law (which, where applicable, are inclusive of the aforementioned claims).

20. Since before the Filing Date, TBS Canada has been working closely with its legal counsel, Davies Ward Phillips & Vineberg LLP ("**Davies**") and the Proposal Trustee to

calculate the claims of each of the Former Employees. Davies has expertise in employment and labour law and their lawyers have been recognized in *Chambers Canada: Canada's Leading Lawyers for Business – Employment and Labour: Ontario*, *The Canadian Legal Lexpert Directory – Employment Law: Employer*, *The Best Lawyers in Canada – Labour and Employment Law* and are members of the *Canadian Association of Counsel to Employers*.

21. I also understand the Proposal Trustee has extensive experience calculating the claims of former employees, including experience using an established reasonable notice methodology to determine common law notice periods. I further understand that Davies is validating the reasonable notice assessments of the Proposal Trustee.

22. To assist in the above assessments, TBS Canada has worked diligently to collect and assemble the facts and documents pertinent to determining the claims of the Former Employees. As part of its analysis, the Company, with the assistance of Davies and the Proposal Trustee, has reviewed the following:

- (a) forms of employment agreements for the Former Employees, and an analysis of their enforceability, including the termination provisions which limit recovery to the statutory minimums in each province;
- (b) term of employment, seniority date and termination date;
- (c) the province and municipality where each Former Employee worked;

- (d) character of employment (e.g., full- or part-time);
- (e) scope of any group benefit coverage;
- (f) group RRSP information;
- (g) salary or hourly pay structure;
- (h) statutory vacation pay entitlements;
- (i) calculations of statutory termination pay, benefit continuation, and severance pay (which is only applicable in Ontario) entitlements for the Former Employees;
- (j) bonus entitlements, including bonus tracker and payout spreadsheets for the Former Employees in the month preceding termination; and
- (k) estimates of common law reasonable notice for the Former Employees based on a review of the applicable factors including age, length of service and position.

23. The Company estimates that the claims of the Former Employees are approximately \$2.1 million in the aggregate. TBS Canada is working diligently to determine the individual claim of each Former Employee.

24. I understand from Davies that this task is relatively straightforward given that there are only two groups of Former Employees: hourly and salaried. The Former Employees were paid their wages and accrued and unused vacation pay as of the date of their termination. There are no unionized employees, no retirement or pension plans and no defined benefits plans.

25. In the circumstances, I believe that the Company, with the assistance of the Proposal Trustee, can determine each Former Employee's claim in a fair, consistent and efficient manner, given the lack of complexity of the claims, the substantial information that the Company has at its disposal in respect of the Former Employees and the expertise provided by Davies and the Proposal Trustee.

26. If it would be helpful to them, TBS Canada and its counsel are prepared to discuss the methodology it is using to determine the Former Employees claims with the Former Employees and their counsel.

C. The Benefit of Representation in this Proceeding

27. As I noted at the outset of this Affidavit, TBS Canada does not believe that the appointment of Representative Counsel will benefit the efficient administration of this proceeding for at least three reasons: (i) this proceeding and the Company's stakeholders claims are not complex; (ii) the work proposed to be undertaken by Representative Counsel would be duplicative of efforts of the Company and the Proposal Trustee; and (iii) the Company and the Proposal Trustee have, and will continue to, keep the Former Employees apprised of any updates in this proceeding. I elaborate on each of these reasons below.

(i) **The Nature of this Proceeding and the Company's Stakeholders**

28. Throughout the NOI process, TBS Canada has concentrated its efforts on shoring up its business activities and maintaining the intrinsic value of the Company as an ongoing entity. This approach is aimed at crafting a proposal that would ensure the ongoing operations of the business within the Canadian market.

29. In furtherance of that objective, the Company's activities since the Filing Date have been limited to the following:

- (a) closing underperforming stores (i.e., the Closing Stores);
- (b) engaging with TBS US, the UK Parent and UK Administrators;
- (c) engaging with its key stakeholders;
- (d) operating its remaining 72 stores in the ordinary course;
- (e) ensuring the ongoing supply of inventory to its operating stores; and
- (f) engaging with the UK Parent, the UK Administrators and Aurelius Investment Lux One SARL, or its affiliates (together "**Aurelius**"), and potential buyers, on the terms of a going-concern solution for TBS Canada.

30. Stakeholders who will make claims against TBS Canada fall into three key groups: (a) the Former Employees; (b) landlords; and (c) trade creditors.

31. TBS Canada does not have any meaningful secured creditors. There are three parties with security registrations against TBS Canada (collectively, the “**Registered Parties**”): (a) Aurelius IV UK Acquico Seven Limited; (b) HSBC Bank Canada and HongKong Bank of Canada; and (c) Enterprise Fleet Management Canada, Inc. However, TBS Canada does not believe any amounts are owed to Aurelius IV UK Acquico Seven Limited, HSBC Bank Canada or HongKong Bank of Canada. Further, the security registrations in favour of Enterprise relate exclusively to corporate vehicles that are leased by TBS Canada.

32. As noted in my Affidavit #2, none of the Registered Parties or their counsel has asserted any claims against the Company. That remains true as of the swearing of this Affidavit.

(ii) Duplication of Efforts

33. As part of the Representation Motion, Koskie Minsky has proposed that the appointment of Representative Counsel would (a) facilitate the filing of one claim on behalf of all of the Former Employees using consistent and accurate methodology, and

(b) allow Representative Counsel to pursue the application of the *Wage Earner Protection Program Act* (“**WEPPA**”) on behalf of the Former Employees.

34. TBS Canada is keenly aware of the challenges confronting the Former Employees and is working diligently with its counsel and the Proposal Trustee to address these challenges, including by calculating the claims of the Former Employees and exploring the availability of WEPPA for the Former Employees. For the reasons discussed below, I accordingly believe that the proposed mandate of the Representative Counsel is duplicative of efforts that Company is already undertaking and would thus undermine the efficient operation of this NOI proceeding.

(a) Calculating and Filing a Claim on behalf of the Former Employees

35. As described above, TBS Canada is working closely with Davies and the Proposal Trustee to finalize the calculations of the claims of the Former Employees. This work has been underway for over two months and began well before Koskie Minsky contacted the Company to advocate for a role for Representative Counsel in these proceedings.

36. As described herein, TBS Canada, with the assistance of Davies and the Proposal Trustee, is well positioned to calculate these entitlements because it has the necessary information in its possession (including hire date, position, compensation, and termination date) and access to the necessary expertise (including the relevant factors used by

practitioners and judges to determine the quantum of the Former Employee's claims under statutory and common law).

37. Once TBS Canada has finally determined the claim of each of the Former Employees, the Company intends to send each Former Employee an employee claims package that includes: (a) a single, omnibus proof of claim (the "**Single Claim**") reflecting the aggregate claim of all of the Former Employees; (b) a letter explaining the Single Claim and advising the Former Employees that they may (but are not required to) submit their own proof of claim; (c) the Former Employee's individual entitlement and how it was calculated; and (d) contact information for the Proposal Trustee to address any questions that the Former Employee may have in respect of the Single Claim or individual entitlement.

38. Should the Former Employees choose to seek independent support for filing their claims, such services are already available free of charge. I am advised by Davies that the Former Employees may file an application under the employment standards legislation in each applicable Canadian province, which will trigger the involvement of a statutorily appointed Employment Standards Officer who could advance any employee claims. There is no cost to the Former Employees or TBS Canada for such representation. I have been advised by Davies that to the extent that an employment standards branch

becomes aware of multiple claims with one employer, they typically consolidate claims to one officer, who could address multiple claims at once.

39. Further, if TBS Canada ultimately files a proposal, it will send separate communications to the Former Employees describing the terms of the proposal and how the claims of the Former Employees will be addressed within the proposal.

(b) WEPPA

40. TBS Canada is dedicated to ensuring that the Former Employees can be paid on account of all, or some portion of their claims as quickly as possible in a commercially reasonable manner. To achieve this, the Company is actively following a two-pronged strategy, involving both (a) ongoing interactions with Service Canada, and (b) efforts to settle the terms of a proposal that will be submitted to its stakeholders for consideration.

41. Taking each of these strategies in turn, the Company has engaged with Service Canada to explore the possibility of allowing the Former Employees to access WEPPA. To facilitate the ability of Former Employees to access WEPPA, one of the options that the Company is exploring is the appointment of the Proposal Trustee to act as the receiver for specific assets belonging to TBS Canada.

42. In parallel with these efforts, the Company is finalizing a confidential term sheet to be sent to the UK Parent, UK Administrators and Aurelius, among others, in respect of a

proposal that TBS Canada intends to make to its creditors. TBS Canada remains optimistic that if it is able to settle and implement the proposal contemplated by the term sheet, it will result in significant recoveries for the Company's stakeholders, including Former Employees.

43. If TBS Canada ultimately determines that the quickest and most commercially reasonable manner for the Former Employees to receive payment is through WEPPA, the Proposal Trustee can then assist the Former Employees in navigating the WEPPA process. I understand from the Proposal Trustee that it has experience filing WEPPA claims on behalf of former employees in retail insolvencies, and that the Proposal Trustee is prepared to provide assistance to the Former Employees so that they can receive their WEPPA entitlements in a timely and efficient manner.

(iii) Communication with Stakeholders

44. Finally, TBS Canada has, and will continue to keep its stakeholders, including the Former Employees, apprised of any material updates in respect of the above matters, or any other matters that arise in these proceedings.

45. As part of these efforts, TBS Canada has disseminated the following communications to its employees and Former Employees, with the goal of ensuring that they are well-informed of their rights and the NOI proceeding:

- (a) on the Filing Date, I held a town hall of TBS Canada where all head office and store-level employees were invited, including Former Employees, advising them of the NOI filing, the Store Closures and directing them to the Proposal Trustee with any questions;
- (b) TBS Canada provided termination letters to the Former Employees, which specifically identified the Former Employees' entitlement to "the balance of any outstanding wages and vacation pay, statutory notice remaining in the form of termination pay, severance pay as applicable, together with continued benefit eligibility over the remaining statutory notice period" and their potential eligibility under WEPPA. The letters also advised the Former Employees: "If these claims processes are available to you, you will receive further information under separate cover about how to apply." Finally, the termination letters invited the Former Employees to contact the Company with any questions by emailing na.peopleoperations@thebodyshop.com. One such letter is attached as Exhibit "A" to the Affidavit of Stephanie Hood dated April 12, 2004; and
- (c) a press release was issued by the Company advising of the commencement of the NOI proceedings, identifying and advising of the closure of the Closing Stores and directing parties to a dedicated case website at

www.alvarezandmarsal.com/TheBodyShop (the “**Case Website**”) for further information. A copy of the press release is attached to this Affidavit as **Exhibit “E”**.

46. As of the date hereof, neither the Company nor the Proposal Trustee has received a significant number of inquiries from Former Employees. In each case, the Company and the Proposal Trustee have promptly responded to any inquiries that they have received.

47. Notably, the Proposal Trustee has created a dedicated page on the Case Website for the purpose of sharing information to employees and Former Employees that includes information about the NOI proceeding, frequently asked questions for Former Employees, access to relevant documents and advises the Former Employees that TBS Canada is calculating their claims. As any further updates become available affecting the Former Employees, the Company will work with the Proposal Trustee to ensure the Case Website is promptly updated.

48. Beyond the above, TBS Canada is open to engaging with the Former Employees and working with them to ensure their interests are properly considered. For example, on April 11, 2024, Natasha MacParland from Davies wrote Koskie Minsky to confirm that TBS Canada is open to discussions with Koskie Minsky regarding their clients’ concerns. Ms. MacParland’s letter emphasized, however, the need for written consent from each

represented individual to comply with provincial privacy laws before the Company could share any personal information about them with Koskie Minsky. A copy of Ms. MacParland's letter is attached as **Exhibit "F"** to my Affidavit. To date, I am informed by Davies that Koskie Minsky has yet to furnish the required consents and has not shared a list of the Former Employees that Koskie Minsky claims it represents.

49. TBS Canada is also required to appear before this Court at least every 45 days to seek permission to extend the time for the Company to file a proposal (each, an "**Extension Motion**"). As part of each Extension Motion, I have sworn affidavits providing information on TBS Canada's activities since the Company last appeared before the Court. I will continue with this practice in connection with future Extension Motions. These affidavits are posted on the Case Website, together with the associated Court orders and endorsements.

50. To the extent there are any material developments that occur between the Extension Motions, as reflected in the April 24, 2024 Endorsement (attached at Exhibit "D"), TBS Canada has agreed to keep stakeholders, including Former Employees, aware of significant events or matters directly affecting them in the usual course.

D. Other Stakeholder Considerations

51. As part of the relief sought on the Representation Motion, I understand that Koskie Minsky is seeking an order that the reasonable professional costs incurred by Representative Counsel before and after the date of the order shall be paid by TBS Canada. I further understand that Koskie Minsky is also seeking the Court's permission to retain professional or expert advisors. Finally, I understand that Koskie Minsky has not provided a budget or estimate for what its fees and any advisor's fees in connection with service as Representative Counsel would be.

52. As noted above at paragraph 30, the Company's key stakeholders who will make claims are its landlords, trade creditors and the Former Employees. No other unsecured creditor or creditor group has sought funding from TBS Canada.

53. Davies has advised me that at least seven of TBS Canada's landlords intend to oppose the Representative Counsel Motion. These landlords represent 50 of TBS Canada's 72 operating stores and 13 out of the 33 Closing Stores. I understand that the landlords are concerned that the appointment of Representative Counsel would prejudice them and other stakeholders as it would reduce the overall funds available for recovery.

54. TBS Canada shares these concerns. Particularly in view of what the Company sees is a lack of any material benefit to the efficient administration of these proceedings,

SWORN remotely by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on the 10th day of May, 2024 in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.



Frank Gillies

Frank Gillies
Commissioner for Taking Affidavits
(or as may be)

Jordan Searle

This is Exhibit "M" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

District of: Ontario
Division No.: 09 – Toronto
Court No.: BK-31-3050418
Estate No.: BK-24-03050418-0031

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF THE BODY SHOP
CANADA LIMITED, IN THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO**

**THIRD REPORT OF THE PROPOSAL TRUSTEE
ALVAREZ & MARSAL CANADA INC.**

MAY 15, 2024

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APPENDICES

Appendix A – Endorsement of Justice Osborne dated April 24, 2024

1.0 INTRODUCTION

- 1.1 On March 1, 2024 (the “**Filing Date**”), The Body Shop Canada Limited (“**TBS Canada**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act (Canada)*, R.S.C. 1985, c. B-3 (the “**BIA**”) and Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as Proposal Trustee of the Company (the “**Proposal Trustee**”).
- 1.2 TBS Canada is a subsidiary of The Body Shop International Limited (the “**UK Parent**”). Prior to the Company filing the NOI, on February 13, 2024, the UK Parent commenced administration proceedings in the United Kingdom (the “**UK Administration Proceeding**”) and individuals of the firm FRP Advisory Trading Limited were appointed as the joint administrators (the “**Joint Administrators**”).
- 1.3 Facing a liquidity crisis and other challenges caused by commencement of the UK Administration Proceeding, TBS Canada filed the NOI, commencing a proceeding (the “**NOI Proceeding**”) to provide the stability and flexibility necessary to evaluate its strategic alternatives and explore various going concern alternatives, while also commencing a closure of a subset of underperforming store locations.
- 1.4 On March 4, 2024, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**March 4 Order**”) which, among other things:
- (i) extended the time to file a proposal, and expanded and extended the stay of proceedings triggered under the BIA by the NOI filing, until and including April 16, 2024 (the “**Stay Period**”); and

- (ii) approved an Administration Charge, D&O Charge and Landlord Charge over the Property (each as defined in the March 4 Order).
- 1.5 As set out in further detail in the Second Report of the Proposal Trustee dated April 9, 2024 (the “**Second Report**”), upon commencement of the NOI Proceeding, the Company delivered disclaimer notices for lease agreements relating to 33 of its store locations and commenced inventory sales to exit those stores within 30 days. In connection with the closure of those locations and the Company’s general cost reduction efforts, the Company has terminated approximately 220 employees (the “**Former Employees**”).
- 1.6 On March 8, 2024, Buth-Na-Bodhaige Inc. (“**TBS US**”), a United States-based affiliate of TBS Canada, commenced a proceeding under chapter 7 of title 11 of the United States Code (the “**Chapter 7 Proceeding**”) and Rimon, P.C. was appointed as trustee (the “**Chapter 7 Trustee**”).
- 1.7 As discussed in greater detail below, on April 12, 2024, Stephanie Hood, as the proposed representative of the Former Employees, brought a motion (the “**Representation Motion**”) seeking an order, among other things: (i) appointing Stephanie Hood as the representative of the Former Employees (in such capacity, the “**Representative Plaintiff**”); and (ii) appointing Koskie Minsky LLP as counsel to the Former Employees (the “**Representative Counsel**”).
- 1.8 On April 15, 2024, Justice Osborne: (i) granted an Order which, among other things, further extended the time for TBS Canada to file a proposal under the BIA to May 31, 2024 (the “**April 15 Order**”); and (ii) issued an endorsement (the “**April 15 Endorsement**”), among other things, directing the parties to reappear before the Court at a case conference on April

24, 2024 to address the scheduling for the Representation Motion (the “**Scheduling Case Conference**”).

- 1.9 As discussed further below, since the issuance of the April 15 Order and the April 15 Endorsement, the Company, the Proposal Trustee, counsel to certain of the Company’s landlords and the Representative Counsel have engaged in a series of correspondence, filed materials with the Court and attended at the Scheduling Case Conference to establish a litigation schedule for the Representation Motion (the “**Litigation Schedule**”).
- 1.10 Copies of the prior reports of the Proposal Trustee (the “**Prior Reports**”) and other documents filed with the Court in the NOI Proceeding are available on the Proposal Trustee’s case website at: www.alvarezandmarsal.com/TheBodyShop (the “**Case Website**”).

2.0 PURPOSE OF THIS REPORT

- 2.1 The purpose of this third report (the “**Third Report**”) is to provide information to this Court with respect to the Representation Motion, and the Proposal Trustee’s recommendation thereon as contemplated by the Litigation Schedule.
- 2.2 The Third Report also provides a brief update on the status of the NOI Proceeding, however, a more substantive update is anticipated to be included in a further report of the Proposal Trustee to be filed in connection with the next motion by the Company to further extend the Stay Period, currently scheduled for May 31, 2024.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Third Report, A&M, in its capacity as the Proposal Trustee, has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Company and has held discussions with management of the Company and its legal counsel (collectively, the “**Information**”). Except as otherwise described in this Third Report:

- (i) the Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 Future oriented financial information referred to in this Second Report was prepared based on the Company’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

3.3 This Third Report should be read in conjunction with the Affidavit of Jordan Searle, General Manager, North America of the Company, sworn May 10, 2024 (the “**Third Searle Affidavit**”). Capitalized terms used and not defined in this Third Report have the meanings given to them in the Third Searle Affidavit.

3.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 OVERVIEW OF TBS CANADA & STATUS OF THE NOI PROCEEDING

Background

4.1 TBS Canada is a cosmetics, perfume and skin care retailer with 72 active store locations across Canada, an e-commerce platform and a wholesale business. The Company sells merchandise under the “The Body Shop” brand, a global brand recognized for its natural and ethically sourced beauty products.

4.2 As set out in greater detail in the Prior Reports, since the commencement of the NOI Proceeding, the Company has, among other things: (i) taken certain cost reduction measures in an effort to improve its overall liquidity position; and (ii) engaged with its stakeholders, the Joint Administrators, the Chapter 7 Trustee, and certain other key parties to the NOI Proceeding, in furtherance of identifying a means for the Company to preserve its operations during the NOI Proceeding and emerge therefrom as a going concern.

Cost Reduction Measures

4.3 As noted above, contemporaneously with the Company commencing the NOI Proceeding, the Company delivered notices of termination and disclaimer in respect of 33

underperforming store locations. The inventory at those locations has been sold and those locations have since been closed. As was intended and necessary at the time, these store closure sales allowed the Company to improve its cash reserves and stabilize its liquidity position.

- 4.4 In connection with the store closures and as part of its cost reduction efforts, the Company terminated the employment of the Former Employees, which were comprised of: (i) approximately 200 employees whose employment directly related to the underperforming locations; and (ii) approximately 20 additional employees that worked in TBS Canada's head office.

Stakeholder Engagement & Status of NOI Proceeding

- 4.5 As part of the Company's efforts to continue business at the remaining 72 locations (the "**Going Concern Locations**"), and identify a going concern transaction, the Company, in consultation with the Proposal Trustee, among other things, continues to:

- (i) advance various inventory replenishment transactions for the Going Concern Locations. As at the date of the Second Report (April 9, 2024), and as described therein, TBS Canada was actively working on a number of initiatives to bring merchandise into Canada. Since that time, TBS Canada has successfully secured replenishment inventory totalling approximately \$12 million (retail value), which is projected to provide the Company with sufficient inventory to continue to operate in the ordinary course. The source of this inventory is as follows:
- (a) merchandise that was in-transit to North America and destined for the U.S. based distribution centre maintained by TBS US (the "**US Distribution**

Centre”). TBS Canada acquired this in-transit inventory from the UK Parent and re-routed it to a third-party logistics provider in Canada. As of the date of this Third Report, this merchandise has now been received at the Going Concern Locations; and

- (b) merchandise that has been purchased from the UK Parent located at the US Distribution Centre. In order to prepare this inventory for transport to Canada, TBS Canada engaged 13 third-party contractors to “pick and pack” the merchandise and arrange for delivery to the Going Concern Locations. As of the date of this Third Report, this merchandise is currently being picked and packed, and is expected to arrive at the Going Concern Locations during late-May and early-June¹;
- (ii) engage with the Joint Administrators in respect of their progress on a proposed Company Voluntary Arrangement and TBS Canada’s involvement in same as a creditor in the UK Administration Proceeding;
- (iii) engage with the Joint Administrators and representatives of the UK Parent in connection with their support of TBS Canada’s efforts to prepare a proposal to be put forward to its creditors that would see substantial recoveries for the Company’s creditors and provide for the Company’s restructured business to emerge from these NOI Proceedings and continue to operate as a going concern;

¹ At this time, TBS Canada has sufficient inventory levels. On a go forward basis and as required, TBS Canada will continue to work with the Joint Administrators to arrange for future inventory replenishment orders from the US Distribution Centre.

- (iv) engage with the landlords of the Company's store locations;
- (v) engage with the Chapter 7 Trustee with respect to the Chapter 7 Proceeding and its potential impact on TBS Canada and the NOI Proceeding, including the Company entering into a license agreement with the Chapter 7 Trustee to obtain access to the US Distribution Centre and the inventory located therein, as described above; and
- (vi) retain seven US-based employees, identified as being critical to the Company's operations, through independent contractor agreements.

5.0 THE REPRESENTATION MOTION

Background

- 5.1 On April 12, 2024, the Representative Plaintiff served its Motion Record in connection with the Representation Motion. The Representation Motion seeks an order, among other things: (i) appointing the Representative Plaintiff on behalf of the Former Employees with respect to their claims for termination and severance pay, health benefits, group RRSP contributions, vacation pay and other amounts owing during their termination notice periods (collectively, the "**Former Employee Claims**")²; (ii) appointing the Representative Counsel; and (iii) granting related relief, including ordering the Company to pay the fees of the Representative Counsel (if appointed).
- 5.2 The Motion Record of the Representative Plaintiff asserts, among other things, that: (i) the Former Employees have suffered prejudice as a result of the termination of their

² The Proposal Trustee notes that the Former Employees were paid all of their wages and accrued vacation as part of their final pay cheque.

employment and TBS Canada's failure to pay the Former Employee Claims, which are estimated by the Representative Plaintiff to be in excess of \$2 million; and (ii) the appointment of the Representative Plaintiff would benefit each of the Former Employees and the Company by facilitating the administration of the NOI Proceeding and the efficiency thereof. The Representative Plaintiff also asserts that their appointment and the appointment of the Representative Counsel is necessary and appropriate at this time.

- 5.3 The proposed Representative Counsel appeared at the hearing scheduled on April 15, 2024 before Justice Osborne, at which time they made submissions consistent with the positions set forth in the Motion Record of the Representative Plaintiff and advised the Court that they intended to bring the Representation Motion.
- 5.4 Following the hearing on April 15, 2024, Justice Osborne issued the April 15 Order and the April 15 Endorsement, among other things, scheduling the Scheduling Case Conference for April 24, 2024.
- 5.5 On April 23, 2024, the Representative Plaintiff filed a Supplementary Motion Record, introducing additional evidence in support of the claim of the Former Employees and the relief sought in the Representation Motion. Among other things, the Supplementary Motion Record asserted that, based on the information available to the Representative Counsel, the claims of 30 of the Former Employees (out of the 40 that had retained the Representative Counsel) totaled approximately \$862,000.
- 5.6 The Scheduling Case Conference was held on April 24, 2024, and at that hearing the Representation Motion was scheduled to be heard on July 4, 2024. A copy of the

endorsement of Justice Osborne dated April 24, 2024 (the “**April 24 Endorsement**”) is attached hereto as **Appendix “A”**.

5.7 Following the Scheduling Case Conference, the parties agreed on the following Litigation Schedule:

Event	Ordered Date
Moving Party Motion Record served	April 12, 2024
Moving Party Supplemental Motion Record	April 23, 2024
Scheduling Case Conference	April 24, 2024
Responding/ Company Motion Record due	May 10, 2024
Proposal Trustee’s Report due	May 15, 2024
Reply Motion Record due (if any)	May 22, 2024
Company Stay Extension Motion	May 30 or 31, 2024
Cross Examinations on filed affidavits	May 27-31, 2024
Proposal Trustee’s Supplemental Report due	June 5, 2024
Moving Party Factum due	June 14, 2024
Responding Factum due	June 24, 2024
Reply Factum due (if any)	June 28, 2024
Motion Hearing	July 4, 2024

5.8 The Proposal Trustee has prepared and provided this Third Report in accordance with the Litigation Schedule.

5.9 The April 24 Endorsement also instructed the Company to keep stakeholders, including its current employees and the Former Employees, apprised of significant events or matters directly affecting them in the ordinary course. The Proposal Trustee intends to continue to work with the Company to ensure this obligation is met.

6.0 THE FORMER EMPLOYEES

Overview

- 6.1 The Former Employees are comprised of: (i) approximately 200 employees whose employment was related to the 33 underperforming locations; and (ii) approximately 20 employees that previously worked in TBS Canada's head office.
- 6.2 Approximately 150 of the store-level Former Employees were paid on an hourly basis, with the remaining approximately 50 being salaried employees. Each of the Former Employees working in TBS Canada's head office were salaried employees.

Calculation of Former Employee Claims

- 6.3 Commencing prior to the Filing Date, and in anticipation of the store closures and cost reduction measures to be taken by the Company, and the related termination of the employment of the Former Employees, the Proposal Trustee and the Company took steps to calculate and evaluate the quantum of the Former Employee Claims.
- 6.4 Pursuant to those efforts, the Proposal Trustee and the Company have worked collaboratively to gather all of the documentation and information necessary to perform those calculations. Among other things, such documentation/information includes but is not limited to the following:
- (i) forms of employment agreements for the Former Employees, and an analysis of their enforceability, including the termination provisions which limit recovery to the statutory minimums in each province;
 - (ii) term of employment, seniority date and termination date;

- (iii) the province and municipality where each Former Employee worked;
- (iv) character of employment (e.g., job responsibilities, title and full-or-part-time);
- (v) scope of any group benefit coverage and group RRSP information;
- (vi) salary or hourly pay structure;
- (vii) statutory vacation pay entitlements;
- (viii) calculations of statutory termination pay, benefit continuation, and severance pay (which is only applicable in Ontario) entitlements for the Former Employees;
- (ix) bonus entitlements, including spreadsheets tracking historical bonus payments in the months preceding termination; and
- (x) estimates of common law reasonable notice for the Former Employees based on a review of the applicable factors including age, length of service and position.

6.5 Due to the relatively simple nature of the Former Employee's employment, the calculation of their respective entitlements was in many respects straightforward; the Former Employees are not unionized, were not parties to a retirement, pension or defined benefits plan, and did not participate in any form of stock option or similar type of long-term incentive plan.

6.6 The following methodology is being used to calculate the claims of the Former Employees:

- (i) the Former Employees' severance and benefit claims were calculated by comparing the amount required to be paid to the Former Employee under minimum standards

employment legislation, and the amount required to be paid under common law in lieu of notice and then reflecting the higher of those amounts as the Former Employee's claim;

- (ii) the Proposal Trustee used a formulaic approach that was applied to each of the Former Employees using their individual employee data;
- (iii) the common law notice period was calculated based on the duration of service, age and job position of each of the Former Employees. Accordingly, the average reasonable notice period among all Former Employees was approximately three months; and
- (iv) the calculations of the group RRSP were calculated as 4% of the Former Employee's earnings, being the maximum entitlement.

Update on Company's Efforts Towards Former Employees

- 6.7 The Company, with the assistance of the Proposal Trustee and for the benefit of the Former Employees, has been simultaneously exploring: (i) options for the Former Employees' to access the *Wage Earner Protection Program Act* ("WEPPA"); and (ii) a going concern transaction that may provide substantial recovery to the Former Employees.
- 6.8 As part of the Company's ongoing efforts to assist the Former Employees with exploring their ability to obtain protection through WEPPA, both the Proposal Trustee and counsel to the Company has reached out to Service Canada. The Company has also discussed and explored the possibility of appointing the Proposal Trustee to act as the receiver for specific

assets belonging to the Company so as to trigger WEPPA entitlement for the Former Employees.

- 6.9 Contemporaneously with those efforts, as noted above, the Company is currently working with certain stakeholders to develop a proposal to be put forward to its creditors that would see substantial recoveries for the Company's creditors and allow for a restructured business to emerge from these NOI Proceedings and continue to operate as a going concern.
- 6.10 In addition to the foregoing, the Company has taken steps towards preparing and filing a global proof of claim on behalf of the Former Employees in accordance with section 126(2) of the BIA. In doing so, it will remove the burden from the Former Employees to file an individualized proof of claim (although they retain the ability to do so if they should choose), ensure that the claim of each of the Former Employees is contemplated, and provide the necessary information to each of the Former Employees to amend their claim if they so choose.
- 6.11 The Proposal Trustee understands that, in connection with a global proof of claim form, correspondence would be provided to each of the Former Employees explaining that a global proof of claim has been filed by the Company on behalf of the Former Employees, outlining how the specific Former Employee's claim was calculated for purposes of the global proof of claim and explaining to each Former Employee that should they choose, they may file an individual proof of claim that would, if filed, supersede the global proof of claim for such Former Employee.

Status of Proposal Trustee's Actions Regarding Former Employees

6.12 As part of the Proposal Trustee's discharge of its duties in this NOI Proceeding, the Proposal Trustee has made various efforts to ensure the Former Employees are kept apprised of the status of the NOI Proceeding. Amongst these efforts, the Proposal Trustee has established the Case Website which, among other things: (i) provides access to the documents and orders in this NOI Proceeding; and (ii) contains a separate "Employee Information" page, which includes an FAQ page and additional information for the Former Employees on the efforts of the Company and the Proposal Trustee in assessing the Former Employee Claims. The Employee Information page is accessible here: <https://www.alvarezandmarsal.com/content/body-shop-employee-information>.

6.13 The Proposal Trustee has promptly responded to all inquiries from the Former Employees to date, however, it notes that only a very small group of Former Employees have contacted the Proposal Trustee.

7.0 ADDITIONAL STAKEHOLDERS

Landlords

7.1 In addition to the Former Employees, the Company's landlords and trade creditors are key stakeholders of the Company whose interests must be considered.

7.2 Counsel to certain of the landlords have expressed concerns to the Company and the Proposal Trustee that, if the Representative Counsel is appointed, the additional costs related thereto, including the costs for the fees of the Representative Counsel, may directly reduce recoveries available for the Company's other stakeholders.

Creditors with Security Registrations

7.3 The Company does not have any meaningful secured creditors. While there are three parties with security registrations against the Company, namely Aurelius IV UK Acquico Seven Limited (“**Aurelius Seven**”), HSBC Bank Canada and HongKong Bank of Canada and Enterprise Fleet Management Canada, Inc. (“**Enterprise**”), the Company does not anticipate that those parties will be owed significant amounts, if they are owed anything. Details of the registrations in favour of each of the parties, and the provision of notice of the commencement of this NOI Proceeding thereto, is set out in the Prior Reports.

7.4 In brief, the security granted to Aurelius Seven appears to be in relation to a guarantee provided by the Company related to the acquisition of the UK Parent by a party related to Aurelius Seven, which is payable on demand. No demand has been made by Aurelius Seven, and the Company is not aware of any amounts owing to HSBC Canada and HongKong Bank of Canada. The registrations held by Enterprise are in relation to a series of corporate vehicles, all of which are paid current with no outstanding arrears. In brief, neither the Proposal Trustee nor the Company have received any communications from the secured creditors to date that suggest they will have any significant claims that would affect the NOI Proceeding.

8.0 PROPOSAL TRUSTEE’S COMMENTS ON THE NEED FOR REPRESENTATIVE COUNSEL

8.1 Based on the Proposal Trustee’s review of the background and information available thereto, the Proposal Trustee is of the opinion that the minimal added benefit from the appointment of the Representative Counsel is significantly outweighed by the additional costs that would arise therefrom.

- 8.2 Each of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company are: (i) highly qualified and reputable firms; (ii) have extensive experience dealing with their applicable mandates, acting in their respective capacity and performing the respective actions described in this Third Report; and (iii) are well equipped to deal with the issues in this NOI Proceeding, including ensuring the interests of Former Employees are appropriately protected and the Former Employee Claims are properly addressed.
- 8.3 The NOI Proceeding, by comparison to other engagements in which the Proposal Trustee has acted in this role, is not overly complex with respect to stakeholder claims. The key stakeholder groups include the Former Employees, trade creditors and the landlords, each of which hold relatively straightforward and quantifiable claims. The Proposal Trustee is of the view that, together with the assistance of its counsel and counsel to the Company, it is well suited to handle a proceeding of this complexity without need for assistance from additional parties, including the Representative Counsel.
- 8.4 The Proposal Trustee has been involved in similar retail mandates, all of which included addressing the claims of former employees, including, among other mandates: (i) *Old MM GP Inc. (Re)* (formerly known as Mastermind Toys) (Court File No. CV-23-00710259-00CL); (ii) *BBB Canada Ltd. (Re)* (formerly known as Bed, Bath and Beyond) (Court File No. CV-23-00694493-00CL); (iii) *Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC and Nordstrom Canada Holdings II, LLC (Re)* (Court File No. CV-23-00695619-00CL) (“**Nordstrom**”); (iv) *DCL Corporation (Re)* (Court File No. CV-22-00691990-00CL); (v) *Inscape Corporation, Inscape (New York) Inc. and Inscape Inc. (Re)* (Court File No. CV-23-00692784-00CL); *Corner Flag LLC v Erwin Hymer Group North America, Inc.* (Court File No. CV-19-614593-00CL); and (vi) *Royal Bank of Canada v*

DME Limited Partnership, DME General Partner Inc., Atlantic systems Manufacturing (2016) Ltd., DME Canada Acquisitions Inc. and DME US Holdco Inc. (Court File No. S1 GS 28446). The only proceeding where representative counsel was appointed was in Nordstrom. That proceeding is clearly distinguishable from the present circumstances as, among other things, the debtor sought to liquidate/ wind down its operations, the vast majority of the debtor's employees were immediately terminated or retained solely for a short period to assist with the liquidation/wind down efforts, there was no prospect of the Canadian business continuing and the debtors sought and supported the appointment of representative counsel for the employees.

8.5 As set out herein, the Company and the Proposal Trustee are each well apprised of the conduct required in the circumstances and have taken appropriate steps, including by calculating the Former Employee Claims and simultaneously exploring potential opportunities by which the Former Employees can obtain a recovery through WEPPA or a going concern transaction. These efforts commenced prior to the Filing Date and remain ongoing as of the date herein, all in furtherance of identifying a scenario that provides the greatest outcome for the Company's stakeholders.

8.6 Similarly, as set out above, the Proposal Trustee and the Company have already taken steps towards calculating the value of the Former Employee Claims, which calculations resulted in a highly similar valuation as the Representative Counsel's calculations. Appointment of the Representative Counsel would likely result in duplication of efforts and fees in various additional regards.

8.7 Accordingly, the Proposal Trustee is of the view that appointment of the Representative Counsel is currently unnecessary, would result in duplicative costs and efforts, and is unlikely to add any substantial benefit to the NOI Proceeding.

8.8 The Proposal Trustee further understands that the Company remains in a vulnerable position due to its ongoing liquidity constraints, and is concerned that appointment of the Representative Counsel, and the associated costs the Company would be required to bear in connection therewith, would have a detrimental effect on the Company's ability to make substantive distributions to its creditors in a proposal.

9.0 CONCLUSIONS AND RECOMMENDATIONS

9.1 The Proposal Trustee delivers this Third Report in compliance with the Litigation Schedule to provide its initial views and recommendations on the issues raised in the Representation Motion.

9.2 At this time, and based on current information available to the Proposal Trustee and for the reasons discussed above, the Proposal Trustee is of the view that the appointment of the Representative Counsel is currently unnecessary and respectfully recommends that the Court dismiss the relief sought in the Representation Motion.

9.3 As contemplated by the Litigation Schedule, the Proposal Trustee may provide a supplemental report to this Report following delivery of further materials and the conduct of cross-examinations in connection with the Litigation Schedule, if it determines it is necessary.

All of which is respectfully submitted to the Court this 15th day of May, 2024.

**Alvarez & Marsal Canada Inc.,
solely in its capacity as Proposal Trustee of The Body Shop Canada Limited,
and not in its personal or corporate capacity**

Per: 

Josh Nevsky
Senior Vice-President

APPENDIX A
ENDORSEMENT OF JUSTICE OSBORNE DATED APRIL 24, 2024



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

COUNSEL SLIP/ENDORSEMENT

**COURT FILE
NO.:**

BK-24-03050418-0031

DATE: April 24, 2024

NO. ON LIST: 1

TITLE OF

In the Matter of The Body Shop Canada Limited

PROCEEDING:

BEFORE: Justice Osborne

PARTICIPANT INFORMATION

For Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Andrew Hatnay	Counsel for Stephanie Hood and Other Terminated Employees, and the Proposed Representative Counsel for Terminated Canadian Employees	ahatnay@kmlaw.ca
Abir Shamim		ashamim@kmlaw.ca
James Harnum		jharnum@kmlaw.ca

For Other:

Name of Person Appearing	Name of Party	Contact Info
Natalie Renner	Counsel for The Body Shop Canada Limited	nrenner@dwpv.com
Chanakya Sethi		csethi@dwpv.com
David Bish	Counsel for The Cadillac Fairview Corporation Limited	dbish@torys.com
Jane Dietrich	Counsel for the Proposal Trustee	jdietrich@cassels.com
Linda Galessiere	Counsel for RioCan Real Estate Investment Trust and Cushman & Wakefield Asset Services ULC	lgalessiere@cglegal.ca

ENDORSEMENT OF JUSTICE OSBORNE:

1. Koskie Minsky LLP, ("KM") as counsel to Stephanie Hood and other terminated employees of The Body Shop ("TBS") seek to schedule a motion to seek an order appointing them as Representative Counsel for Terminated Canadian Employees.
2. TBS seeks to schedule a stay extension motion.
3. The KM Representative Counsel motion will be heard on **July 4, 2024 commencing at 10 AM and continuing as necessary for one half day before me via Zoom.** All counsel have confirmed their availability for that date, and have worked out a timetable for the delivery and exchange of materials to ensure that the matter is fully briefed and can proceed on the merits on that date.
4. The hearing date is further out than I would have preferred as a result of counsel schedules. TBS will continue to keep stakeholders, including employees and terminated employees, aware of significant events or matters directly affecting them in the usual course.
5. The stay of proceedings currently expires on May 31. The stay extension motion will be heard on **May 30, commencing at 10 AM via Zoom before Justice Cavanagh.**

Osborne, J.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THE
BODY SHOP CANADA LIMITED**

Court No.: BK-31-3050418

Estate No.: BK-24-03050418-0031

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

Proceeding commenced at Toronto

**THIRD REPORT OF THE
PROPOSAL TRUSTEE**

Cassels Brock & Blackwell LLP

Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Jane Dietrich LSO#: 49302U

Tel: 416.860.5223
jdietrich@cassels.com

Alec Hoy LSO#: 85489K

Tel: 416.860.2976
ahoy@cassels.com

Counsel for Alvarez & Marsal Canada Inc., solely
in its capacity as Proposal Trustee and not in its
personal or corporate capacity.

This is Exhibit "N" referred to in the Affidavit of Jordan Searle sworn by Jordan Searle at the City of Toronto, in the Province of Ontario, before me on May 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Rushnan Anusha

Commissioner for Taking Affidavits (or as may be)

**RUSHNAN ANUSHA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO,
WHILE A STUDENT-AT-LAW.**

EXPIRES APRIL 21, 2026.

From: Laldin, Ayesha <Ayesha.Laldin@justice.gc.ca>
Sent: May 22, 2024 3:08 PM
To: Renner, Natalie; julie.l.matte@servicecanada.gc.ca
Cc: Binder, Mitchell; Nevsky, Joshua; Dietrich, Jane; MacParland, Natasha; Li, Chenyang
Subject: RE: The Body Shop Canada - WEPPA

External Email / Courriel externe

Good afternoon Natalie:

Thank you for your email, and for your patience. It took some time to consult with the client.

The legislative intent behind the *Wage Earner Protection Act* is to provide quick relief to employees whose employer is ceasing to operate either under a bankruptcy or receivership, or is liquidating under the CCAA or the BIA proposal provisions. Since the program is funded with tax dollars, the Act places limits on the payments and provides the subrogation of ESDC in the rights of the employees, which enables the government to recover from any payment being made to the employees in the insolvency proceedings, up to the amount of the WEPP payment. The Act equally outlines the eligibility criteria and provides the Minister with the sole authority to assess and make a determination on each application.

As such, the options outlined in your email are inconsistent with the legislation. With respect to Option 1, where an employer is not under a Receivership, commenced bankruptcy proceedings or satisfied the criteria prescribed by section 3.2 of the WEPPA regulations, WEPPA does not and cannot apply. In addition, ESDC is required to assess each application individually, and cannot undertake to approve a potential WEPP application (as suggested under 1a). With respect to 1b, the Act authorizes ESDC to collect dollar-for-dollar amount that was paid to the employee, which could be more than \$2000. ESDC is entitled to a greater amount if the funds later become available.

With respect to option 2, ESDC takes the position that receiverships created for the purpose of triggering the WEPPA are inconsistent with the legislative intent of both the BIA and the WEPPA. Based on the information stated in your email, that appears to be the case with respect to TBS.

Given that the program must conform with the confines of the legislation, ESDC is not prepared to enter into any negotiations that circumvent the Act or undertake commitments that are otherwise inconsistent with its purpose and provisions.

I hope this is of assistance. Thank you.

Regards,

Ayesha

From: Renner, Natalie <nrenner@dwpv.com>
Sent: Friday, May 17, 2024 2:10 PM
To: Laldin, Ayesha <Ayesha.Laldin@justice.gc.ca>; julie.l.matte@servicecanada.gc.ca
Cc: Binder, Mitchell <mbinder@alvarezandmarsal.com>; Nevsky, Joshua <jnevsky@alvarezandmarsal.com>; Dietrich, Jane <jdietrich@cassels.com>; MacParland, Natasha <NMacParland@dwpv.com>; Li, Chenyang <CLi@dwpv.com>
Subject: RE: The Body Shop Canada - WEPPA

Hi Ayesha

I hope you are well. I am just following up to see if you have any updates on the below. We are required to file Court materials by May 23, 2024 in connection with The Body Shop Canada's proposal proceedings. We have been receiving a lot of inquiries from the Company's stakeholders and would like to update the Court.

We can make ourselves available for a call at your convenience on Tuesday or Wednesday if that helps.

Thanks and have a wonderful long weekend.

Best regards,

Natalie

Natalie Renner She, Her

T 416.367.7489
nrenner@dwpv.com
Bio | vCard

DAVIES

155 Wellington Street West
Toronto, ON M5V 3J7
dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

This email may contain confidential information which may be protected by legal privilege. If you are not the intended recipient, please immediately notify us by reply email or by telephone. Delete this email and destroy any copies.

From: Laldin, Ayesha <Ayesha.Laldin@justice.gc.ca>
Sent: May 9, 2024 9:59 AM
To: Renner, Natalie <nrenner@dwpv.com>; julie.l.matte@servicecanada.gc.ca
Cc: Binder, Mitchell <mbinder@alvarezandmarsal.com>; Nevsky, Joshua <jnevsky@alvarezandmarsal.com>; Dietrich, Jane <jdietrich@cassels.com>; MacParland, Natasha <NMacParland@dwpv.com>
Subject: RE: The Body Shop Canada - WEPPA

External Email / Courriel externe

Good morning Natalie,

I am in discussions with the client about this. I will respond in the coming days. Thank you for your patience and apologies for the delay in responding.

Regards,

Ayesha

From: Renner, Natalie <nrenner@dwpv.com>
Sent: Thursday, May 9, 2024 9:55 AM
To: Laldin, Ayesha <Ayesha.Laldin@justice.gc.ca>; julie.l.matte@servicecanada.gc.ca
Cc: Binder, Mitchell <mbinder@alvarezandmarsal.com>; Nevsky, Joshua <jnevsky@alvarezandmarsal.com>; Dietrich, Jane <jdietrich@cassels.com>; MacParland, Natasha <NMacParland@dwpv.com>
Subject: RE: The Body Shop Canada - WEPPA

Hi there

I am just following up on the below email. We would welcome the opportunity to speak with you if you have some availability in the coming days.

Best regards

Natalie

Natalie Renner She, Her
T 416.367.7489
nrenner@dwpv.com
Bio | vCard

DAVIES

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DAVIES WARD PHILLIPS & VINEBERG LLP

This email may contain confidential information which may be protected by legal privilege. If you are not the intended recipient, please immediately notify us by reply email or by telephone. Delete this email and destroy any copies.

From: Renner, Natalie
Sent: May 3, 2024 11:48 AM
To: Ayesha.Laldin@justice.gc.ca; julie.l.matte@servicecanada.gc.ca
Cc: Binder, Mitchell <mbinder@alvarezandmarsal.com>; Nevsky, Joshua <jnevsky@alvarezandmarsal.com>; Dietrich, Jane (<jdietrich@cassels.com> <jdietrich@cassels.com>); MacParland, Natasha <NMacParland@dwpv.com>
Subject: The Body Shop Canada - WEPPA

We act for The Body Shop Canada Limited (“**TBS Canada**” or the “**Company**”). On March 1, 2024, TBS Canada filed a notice of intention (the “**NOI**”) to make a proposal under the *Bankruptcy and Insolvency Act* (the “**BIA**”) and Alvarez & Marsal Canada Inc. was appointed as proposal trustee (“**Proposal Trustee**”). TBS Canada is a retailer specializing in the sale of skincare, haircare, bath and body products with 72 store across Canada.

As you are aware, the NOI proceeding is a debtor-in-possession proceeding, which means TBS Canada continues to operate and control its business. As part of its NOI proceedings, TBS Canada immediately closed 33 of its stores and terminated approximately 220 of its employees (the “**Terminated Employees**”). Approximately, 70 of the Terminated Employees were salaried workers and approximately 150 of the Terminated Employees were hourly workers.

The Company is pursuing its strategic options and is optimistic that will be in a position in the coming months to make a proposal to its creditors (a “**Proposal**”) with the goal of continuing the business in Canada and preserving

employment for the remainder of its 570 employees. However, this will take time and will require the Terminated Employees to wait until all the technical elements of the Proposal are completed, including a claims process, creditor vote, sanction hearing and implementation of the Proposal, prior to receiving any distributions on account of their termination and severance entitlements. We have worked extensively with the Proposal Trustee to quantify the Terminated Employee's entitlements.

In light of the impact of this delay on the Terminated Employees, the Company would like to explore the possibility of earlier payments from His Majesty in Right of Canada ("**Service Canada**") to eligible Terminated Employees, pursuant to the *Wage Earner Protection Program Act* ("**WEPPA**") or otherwise.

In that regard, TBS Canada would like to discuss exploring the following options:

1. **Negotiated Resolution:**

In circumstances where TBS Canada has not sought the appointment of a receiver, commenced bankruptcy proceedings or satisfied the criteria prescribed by section 3.2 of the WEPPA regulations, TBS Canada and Service Canada enter into an agreement on mutually agreeable terms whereby:

- (a) an amount equal to the amount of the benefits that such Terminated Employee would be entitled to under WEPPA ("**WEPPA Payment**") is paid to each eligible Terminated Employee; and
- (b) TBS Canada agrees that if it is deemed a bankrupt, the Company will seek an order that declares that in accordance with Section 81.3 of the BIA, Service Canada is entitled to first ranking security up to the amount of \$2,000 for each eligible Terminated Employee that received a WEPPA Payment on account of wages, salaries, commissions or compensation,

OR

2. **Receivership:**

Seeking the appointment of Alvarez & Marsal Canada Inc. as the receiver over certain assets of the Company, which will assist eligible Terminated Employees in accessing WEPPA Payments, subject to Service Canada's ability to determine eligibility of WEPP on an individual basis based on each employee's circumstances. As noted above, we have worked extensively with the Proposal Trustee to quantify the Terminated Employee's entitlements,

provided that if *either* option 1 or 2 is implemented and TBS Canada files a Proposal, the Proposal will provide that if a WEPPA Payment (or amount equal to a WEPPA Payment, in the case of option 1) was made to a Terminated Employee:

- (x) Service Canada is, to the extent of the full amount of the WEPPA Payment, subrogated to any rights the Terminated Employee may have in respect of eligible wages, salaries, commissions or compensation against TBS Canada; and
- (y) TBS Canada will pay Service Canada the subrogated amount before making any payment to the Terminated Employee in respect of eligible termination, severance or compensation.

We welcome the opportunity to discuss the above options with you. Can you please let us know if you have some availability on Tuesday or Wednesday of next week to discuss.

Best regards

Natalie

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF THE BODY SHOP CANADA LIMITED, IN THE CITY OF TORONTO, IN
THE PROVINCE OF ONTARIO

Court File No.: BK-24-03050418-0031
Estate / Court File No: BK -31-3050418

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at Toronto

**AFFIDAVIT OF JORDAN
SEARLE SWORN MAY 23, 2024**

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Lawyers for The Body Shop Canada Limited

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE) THURSDAY, THE 30th DAY
)
JUSTICE CAVANAGH) OF MAY, 2024.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by The Body Shop Canada Limited (the “**Company**”) for an order, *inter alia*, granting an extension of time for the Company to file a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) to July 12, 2024, approving the Third Report of Alvarez & Marsal Canada Inc., in its capacity as Proposal Trustee of the Company (the “**Proposal Trustee**”) dated May 15, 2024 (the “**Third Report**”) and the Fourth Report (the “**Fourth Report**”) of the Proposal Trustee dated May ■, 2024 and the activities described therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jordan Searle sworn on May 23, 2024, the Third Report and the Fourth Report filed, and on hearing the submissions of respective counsel for the Company, the Proposal Trustee and such other counsel as were present as shown on the Participant Information Form, no one else appearing although duly served:

SERVICE

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

EXTENSION OF TIME TO FILE A PROPOSAL

2. **THIS COURT ORDERS** that pursuant to section 50.4(9) of the BIA, the Company be and is hereby granted an extension of time to file a proposal to July 12, 2024.

APPROVAL OF ACTIVITIES

3. **THIS COURT ORDERS** that the Third Report and the Fourth Report are each hereby approved, and the activities and conduct of the Proposal Trustee described therein are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

GENERAL

4. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, agency or regulatory or administrative bodies, having jurisdiction in Canada, the United States of America or any other jurisdiction, to give effect to this Order and to assist the Company, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, agencies and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that each of the Company and the Proposal Trustee be at liberty and are 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.

7. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without the need for entry or filing.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN THE CITY
OF TORONTO, IN THE PROVINCE OF ONTARIO

Court File No: BK-24-03050418-0031
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**ONTARIO
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ORDER

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IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF THE BODY SHOP CANADA LIMITED, IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

Court File No. BK-24-03050418-0031
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**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN BANKRUPTCY AND INSOLVENCY**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD OF
THE BODY SHOP CANADA LIMITED
(RETURNABLE MAY 30, 2024)**

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