

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
TACORA RESOURCES INC.**

**Applicant**

**SUPPLEMENTARY BOOK OF AUTHORITIES OF THE APPLICANT  
(RECONSTITUTED PRELIMINARY THRESHOLD MOTION  
RETURNABLE JUNE 26, 2024)**

June 20, 2024

**STIKEMAN ELLIOTT LLP**

Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto ON M5L 1B9

**Ashley Taylor (LSO #39932E)**

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Email: [ataylor@stikeman.com](mailto:ataylor@stikeman.com)

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Lawyers for the Applicant

**TO: THE SERVICE LIST**

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## Fresh City Farms

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## Loan Agreement

**CONFIDENTIAL**

Province of Agreement: Ontario

Customer number: 0200665504

Date: 2022-07-25

### Name of Borrower(s):

Fresh City Farms, Inc.

Dear Sir/Madam:

Farm Credit Canada ("**FCC**", "**Us**", "**We**", "**Our**") is pleased to confirm to

Fresh City Farms, Inc.

("You", "Your", the "**Borrower**") a new Credit Facility(ies) (the "**Credit Facility**", "**New Credit Facility**") totaling \$500,000.00.

Each New Credit Facility is subject to the terms and conditions set out in this credit contract and the attached Schedules (collectively, the "**Loan Agreement**" or "**Agreement**"). If a conflict arises between any clause of this Agreement and the attached Schedules, the information in the body of this Agreement shall prevail over the information in the attached Schedules.

### 1. New Credit Facility information

#### 1.1 New Credit Facility details

a. **New Credit Facility number: 0000795381000**

Credit Facility Details	
Loan number	0000795381001
Principal amount	\$500,000.00
Credit Facility type	PPL
Interest rate type	Variable Open
Product type	FCC Credit Line
Term	2 year(s) 0 month(s)
Amortization period	N/A
Interest rate (subject to Interest Rate Guarantee provisions below)	7.6 %
Interest Rate Guarantee Expiry Date	
Loan Approval Expiry Date	
Maturity Date	2024-07-02



### 8.3 Release Information

You authorize Us to obtain credit or other information about You, and the Property from, and We may, during the Term of the Credit Facility, exchange such information with:

- a. any financial institution, credit reporting agency, rating agency, credit bureau, governmental body or regulatory authority; and
- b. anyone with whom You may have or propose to have financial dealings. You also agree that We may use Your Loan information for Our internal research and marketing purposes and that We may contact You regarding Our other products and services.

### 8.4 Account Review and Right to Amend

Your Loans may be reviewed periodically. For all Loans, any default may result in, but not be limited to, future disbursements being restricted, an adjustment of Your interest rate, fees being charged or a change in the repayment terms of Your Loans.

## 9. General

### 9.1 Joint and Several Liability

Where more than one person signs this Agreement as a Borrower, the obligations of each Borrower shall be joint and several.

### 9.2 Signature

You agree that this Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same Agreement.

### 9.3 Further Assurances

You agree to sign any additional Agreements or documents that We may require in the future to give effect to this Agreement and any security required by Us.

### 9.4 Right of Set-Off

- a. **You Shall Not Set-Off** - You agree that Your obligation to make payments under this Agreement is absolute and unconditional and shall not be affected by any right of set-off, compensation, counterclaim or other right which You have or believe You have against Us.
- b. **We May Set-Off** - We have a right of set-off. This means that We may apply any and all credits, deposits and other indebtedness We receive for You to reduce or pay any obligation or liability You owe to Us under this Agreement. We will give You a written notice that We have exercised this right.

### 9.5 Successors, Assigns and Enurement

We may assign all or a part of Our rights and obligations under this Agreement. You may not assign any of Your rights or obligations under this Agreement without Our prior written consent. This Agreement shall be binding upon and enure to the benefit of You and Your successors and permitted assigns.

**FAIR FINANCE FUND LOAN AGREEMENT**

THIS LOAN AGREEMENT is made as of the 14th day of April, 2023.

B E T W E E N:

**FRESH CITY FARMS INC,**  
A corporation  
residing at Toronto in the Province of Ontario

(hereinafter called the “Borrower”)

OF THE FIRST PART

and

**THE FAIR FINANCE FUND**  
A not-for-profit entity incorporated by  
Letters Patent in the Province of Ontario

(hereinafter called the “Lender”)

OF THE SECOND PART

WHEREAS the Borrower has applied for and been approved under the loan program of The Fair Finance Fund (the “Loan”) and the Lender has agreed to provide the Loan in accordance with the terms of the Letter of Offer dated April 14th, 2023 and this Loan Agreement (the “Agreement”);

AND WHEREAS the Loan is to be evidenced by a promissory note (the “Note”); and general security agreement (the “GSA”);

AND WHEREAS the Loan proceeds shall be used for the purpose of inventory and working capital;

NOW THEREFORE in consideration of the mutual covenants and agreements set out in this Agreement, the parties agree as follows:

**PART 1 – REPRESENTATIONS AND WARRANTIES OF BORROWER**

1.1 The Borrower represents and warrants to the Lender as follows:

## PART 2 – COVENANTS OF BORROWER AND LENDER

### 2.1 The Borrower hereby covenants to the Lender that it shall do the following:

- (a) Promptly make all payments of principal, interest, and other amounts due hereunder at the time and in the manner specified herein;
- (b) Maintain its corporate existence, comply with all applicable laws, and continue to conduct its business in a proper and efficient manner so as to protect its property and income.
- (c) Pay when due all taxes, maintain adequate books, accounts, and records in accordance with generally accepted accounting principles;
- (d) Provide prompt notice to the Lender of the occurrence of any material adverse change, application, proceeding, or filing that could result in the Borrower becoming insolvent, unable to meet its obligations as they come due, bankruptcy or similar proceeding, having its assets seized by any person, or having insufficient assets to repay the Loan.
- (e) Provide the Lender with at least sixty (60) days' notice of any material change in the nature of its business, and change to its location of its registered head office or principal place of business or change of name;
- (f) Refrain from paying any amount to any of its employees, directors, officers, or shareholders by way of salary, bonus, commission, management fee, dividend, redemption of shares or otherwise in excess of commercially reasonable levels consistent with the ordinary course of business, if such payments may result in the Borrower being unable to meet its obligations under the Loan;
- (g) Refrain from any reorganization, assignment, or change of control without the prior written consent of the Lender;
- (h) To use the proceeds of the Loan for the specified business purposes, and to not permit such proceeds to be used, directly or indirectly, by any other person or for any other purpose.

## PART 3 – DISBURSEMENT OF FUNDS

- 3.1 The Lender shall disburse funds in one lump-sum payment made by way of EFT transfer on or before April 26, 2023.

## PART 4 – TERMS OF LOAN



Royal Bank

FORM 460 (Rev 09/2022) O

**ROYAL BANK OF CANADA CREDIT AGREEMENT****DATE: September 27, 2022****BORROWER:**

MAMA EARTH ORGANICS INC.

**SRF:**

527486005

**ADDRESS** (Street, City/Town, Province, Postal Code)

730 THE KINGSWAY

2

PETERBOROUGH, ON K9J 6W6

Royal Bank of Canada (the “**Bank**”) hereby confirms to the undersigned (the “**Borrower**”) the following credit facilities (the “**Credit Facilities**”), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the “**Agreement**”). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

**CREDIT FACILITIES****Facility #1      Revolving demand facility in the amount of \$420,000.00, available by way of RBP based loans.**

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5000.00 *77*

Interest rate: RBP + 2.15% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [ ] No [X]

**Facility #2      Revolving lease line of credit in the amount of \$880,402.13.** Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

**Facility #3      Lease facility (non-revolving) in the amount of \$1,119,597.87.** Leases will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern. The determination by the Bank as to whether it will enter into any Lease will be entirely at its sole discretion.

**OTHER FACILITIES**

The Credit Facilities are in addition to the following facilities (the “**Other Facilities**”). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) All Business Vehicle Solutions Loans and/or Contracts outstanding at any time and from time to time;
- b) Credit Card to a maximum amount of \$250,000.00.

**SECURITY**

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, if applicable, (collectively, the “**Security**”), shall include:

- a) General security agreement on the Bank’s form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower.

**ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS****FORM 472 (09/2022)**

- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

**FEES, COSTS AND EXPENSES**

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redepositing deposits acquired to make or maintain any facility.

**GENERAL COVENANTS**

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

**GENERAL INDEMNITY**

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

**AMENDMENTS AND WAIVERS**

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

**SUCCESSORS AND ASSIGNS**

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

**GAAP**

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period

## Senior PROMISSORY NOTE

April 14, 2023

FOR VALUE RECEIVED, **FRESH CITY FARMS, INC.**, a company incorporated under the laws of **Canada** (the "**Borrower**") unconditionally promises to pay to or to the order of **David Richard Revocable Trust** (the "**Holder**"), upon the terms and conditions set forth below, the principal sum of \$250,000 (the "**Principal**"), plus all accrued interest thereon, as provided in this Senior Promissory Note (the "**Note**").

1. Advance: The Holder has advanced the Principal to the Borrower on the date hereof, which the Borrower hereby acknowledges having received.
2. Payment of Principal: The Principal shall be payable in full by the Borrower on **August 9, 2027** (the "**Maturity Date**").
3. Interest: The Principal shall bear interest at the rate of nine percent (9%) per annum, compounded annually and payable on the Maturity Date (the "**Interest**").
4. Prepayment: The Borrower shall have the right at any time to pay all, or any portion of, the Principal and Interest outstanding as at the date of such payment without notice, bonus or penalty; provided that each such prepayment shall be accompanied by payment in cash of all accrued Interest to the date of prepayment. All such payments will be applied first as against accrued Interest outstanding, and second as against the Principal outstanding.
5. Payment: Any payments of Principal and Interest owing under this Note shall be made by wire transfer of immediately available funds pursuant to written wiring instructions from the Holder.
6. Events of Default: "**Event of Default**," wherever used herein, means any of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to a judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):
  - a. any failure by the Borrower to pay the Principal and any accrued but unpaid Interest thereon, on the Maturity Date;
  - b. the Borrower fails to comply with any of the Covenants (as defined below) or any other obligation of the Borrower under this Note, which failure is not cured within ten (10) calendar days after receipt of notice thereof from the Holder;
  - c. the Borrower becomes or declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal or arrangement, or otherwise takes advantage of provisions under the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due;
  - d. any filing of a petition in bankruptcy is made against the Borrower which is not cured within forty-five (45) days of the institution thereof, provided that if an order,

and (e) the Holder will be holding the Note as principal for its own account, and not on behalf of or for the benefit of any other Person.

9. Notices: Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by delivery as hereinafter provided. Any such notice or other communication, if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the business day following the sending, or, if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notice and other communications shall be addressed as follows:
  - a. if to the Borrower:  
Fresh City Farms, Inc., 53 Samor Road, Toronto, Ontario, M6A 1J2  
E-mail: Ran@freshcityfarms.com  
Attention: Ran Goel
  - b. if to the Holder:  
134 Partridge Cir,  
Milford, PA USA 18337  
Attn: David Richard  
daviddrichard@gmail.com
10. Time of Essence: Time will be of the essence in this Note.
11. Successors and Assigns: This Note shall be binding upon the Borrower and its successors and assigns and shall inure to the benefit of the Holder and the Holder's successors and assigns. This Note is non-negotiable and is assignable only by the Holder. This Note shall not be assignable by the Borrower.
12. Governing Law; Severability: This Note shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The invalidity or unenforceability of any of the provisions hereof shall not affect the validity or enforceability of the remainder hereof.
13. Waiver: The Borrower waives presentment for payment, protest, notice of protest, notice of dishonour, notice of non-payment and all other notices and demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.
14. General: The Borrower promises to pay the Holder's reasonable costs of collection of this Note, including but not limited to reasonable attorneys fees, paid or incurred by the Holder on account of such collection.
15. Interest Act Disclosure: For the purposes of the Interest Act (Canada) and disclosure under such statute, whenever interest to be paid under this Note is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of



January 16, 2024

**FRESH CITY FARMS INC.  
and  
MAMA EARTH ORGANIC INC.**

c/o Fresh City Farms Inc.  
53 Samor Rd.  
Toronto, ON M6A 1J2  
Attn: Ran Goel, President  
Email: [ran@freshcityfarms.com](mailto:ran@freshcityfarms.com)

Dear Mr. Goel:

**Re: 1000691958 ONTARIO INC and BENNETT CHURCH HILL CAPITAL INC. (collectively, the “DIP Lender”) interim financing credit facility in favour of FRESH CITY FARMS INC. and MAMA EARTH ORGANIC INC. (together, the “Borrower”)**

We understand that the Borrower intends to initiate proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), where it is intended that PricewaterhouseCoopers Inc. be appointed as monitor (in such capacity, the “**Monitor**”), and that in connection with the CCAA proceedings (the “**CCAA Proceedings**”) the Borrower requires debtor-in-possession interim financing and will be seeking from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) the Initial Order and ARIO (*each as defined herein*), among other things, granting and confirming the interim financing contemplated herein pursuant to section 11.2 of the CCAA (collectively, the “**DIP Financing Orders**”).

The DIP Lender is pleased to offer interim financing by way of the credit facility described in this term sheet (the “**Term Sheet**”) subject to the terms and conditions set forth herein. Unless otherwise indicated, all amounts are expressed in Canadian currency. All times expressed herein refer to eastern (Toronto) time. All capitalized terms not otherwise defined in the body of this Term Sheet shall have the meanings ascribed thereto in **Schedule “A”**.

**Borrower:** Fresh City Farms Inc. and Mama Earth Organic Inc.

**DIP Lender:** 1000691958 ONTARIO INC. and BENNETT CHURCH HILL CAPITAL INC.  
(on a joint and several basis with funding of all advances on a *pari passu* basis)

**Joint & Several** Where multiple parties are named as the “Borrower” hereunder (collectively, the “**Borrower Parties**”; and, each, a “**Borrower Party**”), each Borrower agrees, acknowledges and confirms that at the Borrowing Parties’ request, the DIP Facility (as defined below) has been made available to all of them, and, in each case, that each individual Borrower Party’s ability to drawdown the full amount available for each DIP Advance (as defined below) under the DIP Facility is not restricted except as specifically provided for in this Term Sheet.

All covenants, agreements and DIP Obligations (as defined below) of the Borrower Parties contained in this Term Sheet relating to or in connection with the DIP Facility shall be on a joint and several basis, and each of the Borrower Parties shall be jointly and severally liable for and obligated to repay all DIP Obligations under the DIP Facility. Such joint and several liability is



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Counterparts: This Term Sheet may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Term Sheet by email, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment: The DIP Lender may assign all or part of its rights and obligations under this Term Sheet without notice to and without the Borrower's consent. The Borrower may not assign or transfer all or any part of its rights or obligations under this Term Sheet, any such transfer or assignment being null and void and of no force or effect. This Term Sheet shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Time: Time shall be of the essence in all provisions of this Term Sheet.

Termination by Borrower: At any time following the indefeasible payment in full in immediately available funds of all of the amounts owing under the DIP Facility, including, without limitation, principal, interest, costs and expenses contemplated hereunder, the Borrower shall be entitled to terminate this Term Sheet upon written notice to the DIP Lender.

Entire Agreement, Amendments and Waiver: This Term Sheet and any other written agreement delivered pursuant to or referred to in this Term Sheet constitute the whole and entire agreement between the parties in respect of the DIP Facility. There are no verbal agreements, undertakings or representations in connection with the DIP Facility. No amendment or waiver of any provision of this Term Sheet will be effective unless it is in writing signed by the Borrower and the DIP Lender. No failure or delay on the part of the DIP Lender in exercising any right or power hereunder or under the DIP Lender's Charge shall operate as a waiver thereon. No course of conduct by the DIP Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Term Sheet and the DIP Lender's Charge or the DIP Lender's rights thereunder.

**Notices:**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered by electronic mail to the attention of the person as set forth below:

In the case of the DIP Lender:

**1000691958 ONTARIO INC.** Attn: Alexandra Baillie  
([Alexandra@goodandwell.ca](mailto:Alexandra@goodandwell.ca))

and

**BENNET CHURCH HILL CAPITAL INC.** Attn: Carl Bennett  
([cec.bennett@bchbi.com](mailto:cec.bennett@bchbi.com))

with a copy to:

**LOOPSTRA NIXON LLP** Attn: Graham Phoenix ([gphoenix@LN.law](mailto:gphoenix@LN.law))

## SHARE SUBSCRIPTION AGREEMENT

**THIS SUBSCRIPTION AGREEMENT** is made as of the 27th day of March, 2024.

**BETWEEN:**

**FRESH CITY FARMS INC.**

(the "**Company**")

-and-

**100691958 ONTARIO INC.** and **BENNETT CHURCH HILL CAPITAL INC.**

(together, the "**DIP Lender**" or the "**Purchaser**")

### RECITALS

- A.** The Company operates an organic grocery business in Ontario (the "**Business**");
- B.** Pursuant to the order of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") issued on January 18, 2024, as amended and restated pursuant to an order issued on January 26, 2024 (as amended and restated, the "**Initial Order**"), among other things, PricewaterhouseCoopers Inc. ("**PwC**") was appointed as monitor (in such capacity, the "**Monitor**") of the Company and its wholly-owned subsidiary, Mama Earth Organics Inc. (together, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**"), and the Applicants, along with a related entity, FCPDP Inc., were granted creditor protection under the CCAA;
- C.** On January 26, 2024, the CCAA Court granted an order (the "**SISP Order**") approving a sale and investment solicitation process in the form attached as Schedule "A" to the SISP Order (the "**SISP**") with respect to the Applicants' Business and all their assets, undertakings and properties wherever situate including all proceeds thereof ("**Property**"), and directing the Applicants to perform the SISP in consultation with and under the supervision of the Monitor;
- D.** Pursuant to the SISP, (i) the DIP Lender could elect to submit a credit bid (a "**DIP Credit Bid**") if, by the Qualified Bid Deadline (as defined in the SISP) of February 29, 2024, no bid was received repaying all amounts outstanding under the interim financing facility entered into among the Applicants and the DIP Lender pursuant to a term sheet dated January 16, 2024 (the "**DIP Facility**"); and (ii) if the DIP Lender elected to submit a DIP Credit Bid and the Monitor considered its terms appropriate and consistent with prevailing insolvency practices, the DIP Credit Bid would be designated as the successful bid in the SISP;
- E.** No bid was received on or prior to the Qualified Bid Deadline which repaid all amounts outstanding under the DIP Facility, or otherwise; and
- F.** Subject to and in accordance with the terms and conditions set forth in this Agreement, the DIP Lender has elected to submit a DIP Credit Bid, designating the Purchaser as the entities who shall acquire the Purchased Shares (as defined herein), and the Company

- (bb) **“DIP Lender Group”** means the DIP Lender collectively with all Affiliates thereof and any Person that is or can be considered “related” (as that term is defined in the CCAA) to the DIP Lender, including, for avoidance of doubt but without limitation, the Purchaser.
- (cc) **“DIP Lender’s Charge”** has the meaning given to such term in the Initial Order.
- (dd) **“Equity Interest”** means any capital share, stock, option, swap, warrant, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person.
- (ee) **“ETA”** means the *Excise Tax Act* (Canada).
- (ff) **“Encumbrance”** means any Claim and any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limiting the generality of the foregoing: (i) any encumbrances or charges created in the Initial Order or any other order of the CCAA Court in the CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario); the *Land Registration Reform Act* (Ontario), or any other real property or real property-related registry or recording systems; provided however that, notwithstanding any provision of this Agreement, the Administration Charge shall remain a CCAA Charge against the Applicants and the Applicants’ Property, unless and until the Purchaser pays all amounts secured under the Administration Charge to the beneficiaries thereof on or prior to Closing as provided in Article 3 of this Agreement.
- (gg) **“Excluded Contracts”** means all Contracts of the Applicants other than the Continuing Contracts including, without limitation: (i) financing Contracts pursuant to which the Applicants are a borrower or guarantor; and (ii) all Retail Leases to the extent that the Applicants have not obtained the Lease Assignments prior to Closing.
- (hh) **“Excluded Liabilities”** means, collectively, any and all Claims and Liabilities of the Applicants save and except the Continuing Liabilities, as well as, without otherwise limiting the generality of the foregoing, all Claims, Liabilities and Encumbrances that the DIP Lender Group has or may have in respect of the Applicants or the Applicant’s Property; however, notwithstanding the foregoing, all Claims, Liabilities and Encumbrances of the DIP Lender Group with respect to the DIP Facility and the DIP Lender’s Charge shall not be Excluded Liabilities and shall rather be credited and released pursuant to Article 3 of this Agreement.
- (ii) **“Fee Accrual Reserve”** means an amount of \$200,000.00 to be paid by the Purchaser prior to Closing and held in trust by the Monitor, which amount shall be disbursed by the Monitor, in its sole and unfettered discretion, in its capacity as Monitor and on behalf of the Applicants and not in its personal or corporate capacity, on account of (i) any and all amounts secured under the Administration Charge as of Closing; (ii) any and all amounts that, but for Closing, would be secured under the Administration Charge for the period after Closing but for Closing; and (iii) any and all fees, costs and expenses incurred by

- i. any and all Priority Payables; and
- ii. any and all Cure Costs;
- (c) on behalf of the Purchaser, the DIP Lender Group shall pay or cause to be paid, prior to Closing, to the Monitor, in cash, the Fee Accrual Reserve;
- (d) any and all Continuing Contracts shall continue as Contracts of the Applicants; and
- (e) any and all Continuing Liabilities shall continue as Liabilities of the Applicants.

#### **ARTICLE 4 RESTRUCTURING STEPS**

- (a) The Applicants shall bring a motion in the CCAA Court for the issuance of the Vesting Order, and shall make commercially reasonable efforts to obtain the Vesting Order, that approves the following steps (collectively, the “**Restructuring Steps**”) and orders that, upon delivery of the Monitor’s Closing Certificate, the Restructuring Steps shall be deemed to have occurred in the following sequence (and, for avoidance of doubt, regardless of the actual sequence in which the Restructuring Steps may have factually occurred):
  - i. first, ResidualCo shall be added as an applicant in the CCAA Proceedings;
  - ii. second, all directors and officers of ResidualCo shall be deemed to have resigned, effective immediately;
  - iii. third, all Excluded Contracts and Excluded Liabilities shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo, such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Applicants, and the Applicants and all of the Applicants’ Property shall be forever released and discharged from the Applicant Released Claims, and the Applicant Released Claims shall be expunged and discharged as against the Applicants’ Property , provided nothing in the Vesting Order shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or any obligations of any Applicants under, or in connection with, this Agreement or the Closing Documents;
  - iv. fourth, provided that the Applicants have obtained the Assignment Agreements, the Retail Leases shall be assigned and transferred in and to RetailCo (the “**Retail Lease Assignments**”);
  - v. fifth, the Articles of Reorganization shall be filed or deemed to have been filed;
  - vi. sixth, all Prior Equity Interests shall be deemed terminated and cancelled without consideration;
  - vii. seventh, in consideration for the Total Consideration, the Company shall issue the Purchased Shares to each Purchaser in accordance with Article 2 herein, and all right, title and interest in and to the Purchased Shares shall vest absolutely in the

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

THE HONOURABLE	)	WEDNESDAY, THE 3 <sup>rd</sup>
	)	
JUSTICE OSBORNE	)	DAY OF APRIL, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF FRESH CITY FARMS INC. AND MAMA  
EARTH ORGANICS INC.

**APPROVAL AND REVERSE VESTING ORDER**

**THIS MOTION**, made by Fresh City Farms Inc. ("**Fresh City**") and Mama Earth Organics Inc. (together with Fresh City, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things, (i) approving the Share Subscription Agreement (the "**Subscription Agreement**") between Fresh City, as issuer, and 100691958 Ontario Inc. and Bennett Church Hill Capital Inc. (together, the "**Purchaser**") dated March 27, 2024, of which a copy is appended as Exhibit "C" to the affidavit of Ran Goel sworn March 27, 2024 (the "**Goel Affidavit**"), and approving the transactions contemplated by the Subscription Agreement (collectively, the "**Transactions**"); (ii) adding 1000843823 Ontario Inc. ("**ResidualCo**") as an Applicant in these CCAA proceedings; (iii) transferring and vesting all of Fresh City's right, title and interest in and to the Excluded Contracts and Excluded Liabilities in and to ResidualCo; (iv) authorizing and directing Fresh City to file the Articles of Reorganization; (v) terminating and cancelling all Prior Equity Interests (as defined herein) in Fresh City for no consideration; (vi) authorizing and directing Fresh City to issue the Purchased Shares; (vii) vesting all of the right, title and interest in and to the Purchased Shares in the Purchaser; and (viii) on closing of the Transactions and the delivery of a certificate of the Monitor confirming closing, the discharge of Applicants and PricewaterhouseCoopers Inc. ("**PwC**") as monitor (in such capacity, the "**Monitor**") of the Applicants from the CCAA proceedings, was heard this day by videoconference.

**ON READING** the notice of motion, the Goel Affidavit and the exhibits thereto, the second report of PwC in its capacity as the court-appointed Monitor (the “**Second Report**”), each filed and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, and such other counsel and parties appearing as listed on the participant information form, with no one else appearing although duly served as appears from the affidavit of service of Julie Mah sworn March 28, 2024:

## **SERVICE**

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

## **DEFINITIONS**

2. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein shall have the meanings ascribed to them in the Subscription Agreement, and all collective terms used in this order shall be read as if they were followed by the phrase “and each of them”.

## **RESIDUALCO**

3. **THIS COURT ORDERS** that, as of the issuance of this Approval and Vesting Order:
- a. ResidualCo shall be a company to which the CCAA applies; and
  - b. ResidualCo shall be added as an Applicant in these CCAA proceedings and all references in any order of this court in respect of these CCAA proceedings (except the herein order) to (i) an “Applicant” or the “Applicants” shall refer to and include ResidualCo and (ii) “Property” shall include all present and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo, and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the Property of ResidualCo.

## **APPROVAL OF SUBSCRIPTION AGREEMENT, TRANSACTIONS AND RESTRUCTURING STEPS**

4. **THIS COURT ORDERS** that the Subscription Agreement, the Transactions and the Restructuring Steps be and are hereby approved, and the execution of the Subscription

Agreement by Fresh City is hereby authorized and approved, with such minor amendments as Fresh City and the Purchaser may deem necessary or otherwise agree to with the approval of the Monitor. Fresh City is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including without limitation the redemption and cancellation of all Prior Equity Interests in Fresh City for no consideration, the filing of the Articles of Reorganization, and the issuance, sale and conveyance of the Purchased Shares to the Purchaser.

5. **THIS COURT ORDERS** that this order shall constitute the only authorization required by the Applicants to proceed with the Transactions and the Restructuring Steps, and that no shareholder or other approval, including without limitation any authorization, approval or other action by or notice to or filing with any Governmental Authority (as defined herein) or regulatory body, shall be required in connection therewith.

#### **VESTING AND RESTRUCTURING STEPS**

6. **THIS COURT ORDERS** that, upon the delivery of a certificate of the Monitor substantially in the form attached as **Schedule “A”** hereto (the **“Monitor’s Closing Certificate”**) to the Purchaser (the **“Closing Time”**), the Restructuring Steps shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

a. first, all of the directors and officers of ResidualCo shall be deemed to have resigned, effective immediately without any further act or formality;

b. second, other than in respect of the Continuing Contracts, a list of which is attached as **Schedule “B”** and the Continuing Liabilities, all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, together with any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, **“Claims”**), including without limiting the

generality of the foregoing: (i) any encumbrances or charges created by the order of Justice Kimmel dated January 26, 2024 made in these CCAA proceedings (the “**Initial Order**”) or any other order of the court in these CCAA proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) any mortgages, charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario), or any other real property or real property-related registry or recording systems (all of which are collectively referred to as the “**Encumbrances**”), shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo, such that all of the Claims and Encumbrances (together, the “**Excluded Liabilities**”) shall become obligations of ResidualCo and shall no longer be obligations of the Applicants and all of the Applicants’ present and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, “**Property**”) shall be and are hereby forever and fully released and discharged from all of the Excluded Liabilities, and all related Excluded Liabilities affecting or relating to the Applicants’ Property are hereby expunged and discharged as against the Applicants’ Property;

c. third, provided that the Applicants have obtained the Assignment Agreements, the Retail Leases shall be assigned and transferred in and to RetailCo, it being understood for avoidance of doubt that any Retail Leases and Retail Liabilities in respect of which there is no Assignment Agreement shall have vested in and to ResidualCo pursuant to the preceding subparagraph b.;

d. fourth, the Articles of Reorganization shall be filed or deemed to have been filed;

e. fifth, all Prior Equity Interests (which for avoidance of doubt excludes the Purchased Shares), including all issued and outstanding shares of any class in the capital of Fresh City in existence prior to filing the Articles of Reorganization, as well as any agreement, contract, plan, indenture, deed, certificate, subscription right, conversation right, pre-emptive right, option, warrants, securities, debentures, loans, notes or other documents, instruments, rights or commitments of any character whatsoever that are convertible or exchangeable for any Equity Interests of Fresh City or which provide for or require the issuance, conversion, sale or transfer by Fresh City of any Equity Interests of Fresh City or in the share capital of Fresh City, or otherwise relating thereto, shall be



deemed to be redeemed and cancelled or terminated and cancelled without consideration, and the only Equity Interests of Fresh City that shall remain shall be the Purchased Shares;

f. sixth, in consideration for the Total Consideration, Fresh City shall issue the Purchased Shares to the Purchaser and all right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all Claims and Encumbrances, and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares;

g. seventh, the Applicants shall be deemed to cease being Applicants in these CCAA proceedings, and the Applicants shall be deemed to be released from the purview of the Initial Order and all other orders of this Court granted in these CCAA proceedings, save and except for this order, the provisions of which shall continue to apply in all respects; and

h. eighth, the Released Parties (as defined herein) shall be released from the Released Claims (as defined herein), provided that nothing in this order shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

7. **THIS COURT AUTHORIZES AND DIRECTS** the Monitor to file with the court a copy of the Monitor's Closing Certificate forthwith after the Closing Time.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from Fresh City and the Purchaser regarding the satisfaction or waiver of the conditions to closing under the Subscription Agreement and shall have no liability with respect to the delivery and filing of the Monitor's Closing Certificate.

9. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this order together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Applicants or the Applicants' Property, business or operations (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of a copy of the Monitor's Closing Certificate and a copy of this order as though

they were originals and to enter into records, make, amend or discharge such registrations and transfers of interests as the Purchaser, the Applicants, ResidualCo or the Monitor may require to give effect to the terms of this order and the Subscription Agreement. Presentment of a copy of this order and a copy of the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to enter into records, make, amend or discharge registrations and transfers of interests as required by this paragraph, including, without limitation, to effect the discharge of the Claims and Encumbrances as against the Applicants and the Applicants' Property.

10. **THIS COURT ORDERS** that (i) the Subscription Agreement, the Transactions and the Restructuring Steps shall constitute a "proposal", and this order shall constitute a "reorganization", for purposes of section 186 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, and (ii) this order shall constitute a "reorganization" for purposes of section 191 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended.

11. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Applicants shall be deemed released from any and all Claims with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants, including without limiting the generality of the foregoing, all Taxes that could be assessed against the Applicants or the Purchaser (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5<sup>th</sup> Supp.), as amended, or any provincial equivalent, in connection with the Applicants, provided that, as it relates to the Applicants, such release shall not apply to (i) Taxes in respect of the business and operations conducted by the Applicants after the Closing Time; or (ii) Taxes expressly assumed as Continuing Liabilities pursuant to the Subscription Agreement. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

12. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Continuing Contracts shall remain in full force and effect upon and following the Closing Time, and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such Continuing Contracts may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right

(including any right of set off, dilution or other remedy) or make any demand under or in respect of any such contract, and no automatic termination will have any validity or effect, by reason of:

- a. any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicants);
- b. the insolvency of any Applicants or the fact that the Applicants obtained relief under the CCAA;
- c. any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions, the Restructuring Steps, or the provisions of this order or any other order of the court in these CCAA proceedings; or
- d. any transfer or assignment, or any change of control of any of the Applicants arising from the implementation of the Subscription Agreement, the Transactions, the Restructuring Steps, or the provisions of this order.

13. **THIS COURT ORDERS**, for greater certainty, that (i) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of the Applicants or the Purchaser in respect of any Continuing Liabilities; (ii) the designation of any claim as a Continuing Liability is without prejudice to any of the Applicants' or the Purchaser's right to dispute the existence, validity or quantum of any such Continuing Liability; and (iii) nothing in this order or the Subscription Agreement shall affect or waive the Applicants' or the Purchaser's rights and defences, both legal and equitable, with respect to any Continuing Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Continuing Liability.

14. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all breaches and/or defaults of any of the Applicants then existing or previously committed by any of the Applicants, or caused by any one of the Applicants, directly or indirectly, as well as any non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Continuing Contract arising directly or indirectly from the filing by the Applicants under the CCAA and the implementation of the Restructuring Steps and Transactions, including without limitation any of the matters or events listed in paragraphs 6 and 12 hereof, and any and

all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Continuing Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse any of Fresh City or the Purchaser from performing their obligations under the Subscription Agreement or be a waiver of defaults by any of Fresh City or the Purchaser under the Subscription Agreement and the related documents.

15. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, indirectly, derivatively or otherwise, and including without limitation administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicants or the Purchaser relating in any way to or in respect of any Excluded Liabilities or Excluded Contracts, each of which are waived, released, expunged or discharged pursuant to this order.

16. **THIS COURT ORDERS** that, from and after the Closing Time:

a. the Continuing Liabilities retained by the Applicants, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions, the Restructuring Steps or this Order;

b. the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

c. any Person that prior to the Closing Time had a valid right or claim against the Applicants under or in respect of any Excluded Liability (each, an “**Excluded Liability Claim**”) shall no longer have an Excluded Liability Claim against the Applicants, but will have an equivalent Excluded Liability Claim as against ResidualCo in respect of the Excluded Contract and Excluded Liability from and after the Closing Time, in its place and stead, and nothing in this order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

d. any Person with an Excluded Liability Claim against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo

as such Person had against the Applicants in respect of that Excluded Liability Claim prior to the Closing Time.

17. **THIS COURT ORDERS** that, notwithstanding:

- a. the pendency of these CCAA proceedings;
- b. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the "**BIA**"), in respect of the Applicants or ResidualCo and any bankruptcy order issued pursuant to any such applications;
- c. any assignment in bankruptcy made in respect of any of the Applicants and ResidualCo; and
- d. the provisions of any applicable legislation,

the Subscription Agreement, the implementation and consummation of the Transactions and Restructuring Steps (including without limitation the transfer and vesting of the Excluded Contracts and Excluded Liabilities in and to ResidualCo, the redemption and cancellation of all Prior Equity Interests in Fresh City for no consideration, the issuance, transfer and vesting of the Purchased Shares in and to the Purchaser) shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and ResidualCo and shall not be void or voidable by creditors of the Applicants or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **BANKRUPTCY**

18. **THIS COURT ORDERS** that, as soon as practicable following the Closing Time, PwC shall be authorized to file an assignment in bankruptcy pursuant to the BIA for and on behalf of ResidualCo and to take any steps incidental thereto.

19. **THIS COURT ORDERS** that PwC is hereby authorized and empowered, but not obligated, to act as trustee in bankruptcy in respect of ResidualCo under the BIA.

20. **THIS COURT ORDERS** that, except to the extent resulting from PwC's actual appointment as trustee-in-bankruptcy of ResidualCo pursuant to the BIA, as the case may be, nothing in this order, including for avoidance of doubt the Monitor's assignment of ResidualCo in bankruptcy pursuant to paragraph 18 and 19 of this order, shall constitute or be deemed to constitute PwC as trustee-in-bankruptcy, receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors of, or legal representative of ResidualCo.

## **RELEASES**

21. **THIS COURT ORDERS** that effective upon the Closing Time, (i) the current and former directors, officers, shareholders, employees, legal counsel and advisors to the Applicants; (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors; and (iii) the Purchaser and its current and former directors, officers, employees, legal counsel and advisors (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the Closing Time and undertaken or completed in connection with or pursuant to the terms of this order or these CCAA proceedings, or arising in connection with or relating to the Subscription Agreement, the completion of the Transactions or the Restructuring Steps, the closing documents, the Applicants' assets, business or affairs, prior dealings with the Applicants, or any agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transactions and the Restructuring Steps (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or willful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or any obligations of any Released Party under, or in connection with, the Subscription Agreement or the closing documents.

22. **THIS COURT ORDERS** that all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Closing Time, with respect to any and all Released Claims, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their respective property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; or (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their respective property.

#### **EXTENSION OF STAY PERIOD AND CONCLUSION OF CCAA PROCEEDINGS**

23. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order, is hereby extended until and including the date of the bankruptcy of ResidualCo, unless extended by further order of the court (the “**CCAA Termination Date**”).

24. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date:

a. these CCAA proceedings shall be terminated without any other act or formality, provided that nothing in this order impacts the validity of any orders made in these CCAA proceedings or any actions or steps taken by any Person pursuant to or as authorized by any orders of the court made in these CCAA proceedings; and

b. PwC shall be discharged as Monitor and shall incur no further duties, obligations or responsibilities as Monitor in these proceedings.

25. **THIS COURT ORDERS** that, notwithstanding the discharge of PwC as Monitor, and notwithstanding the termination of these CCAA proceedings, PwC shall have the authority from and after that time to complete any matters that may be incidental to the termination of these

CCAA proceedings. In completing any incidental matters, PwC shall continue to have the benefit of the provisions of all orders made in these CCAA proceedings, including all approvals, protections and stays of proceedings in favour of PwC in its capacity as Monitor, and nothing in this order shall affect, vary, derogate from, limit or amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order or any other order made in these CCAA proceedings.

26. **THIS COURT ORDERS AND DECLARES** that, effective as of the CCAA Termination Date, but subject to the prior payment in full of all amounts owing to the beneficiaries thereunder, if any, the Charges shall be terminated, released and discharged without any other act or formality.

27. **THIS COURT ORDERS** that the Monitor is hereby directed to serve notice of the CCAA Termination Date upon the Service List established by the Monitor as soon as is practicable following the occurrence thereof.

#### **PROVISIONS APPLICABLE TO MONITOR**

28. **THIS COURT ORDERS** that, except to the extent resulting from PwC's actual appointment as trustee-in-bankruptcy of ResidualCo in accordance with the BIA, as the case may be, the Monitor shall not, as a result of this order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of the Applicants or ResidualCo, or to have taken or maintained possession or control of the business or property of any of the Applicants or ResidualCo or any part thereof; or (ii) be deemed to be in Possession (as defined in the Initial Order) of any property of the Applicant or ResidualCo within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

29. **THIS COURT ORDERS** that notwithstanding anything contained in this order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this order, other than any liability arising as a direct result of the gross negligence or willful misconduct of the Monitor.

30. **THIS COURT ORDERS** that the Second Report of the Monitor and the activities of the Monitor as set out therein be and are hereby approved provided, however, that only the Monitor,



in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

31. **THIS COURT ORDERS** that, notwithstanding the termination of these CCAA proceedings, nothing in this order shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA proceedings and PwC shall continue to have the benefit of any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order and any other order in these CCAA proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of PwC in its capacity as Monitor, all of which are expressly continued and confirmed.

### **APPROVAL OF THE REPORTS AND THE MONITOR'S ACTIVITIES AND FEES**

32. **THIS COURT ORDERS** that the Reports (as defined in the Goel Affidavit), and the activities of the Monitor and its counsel referred to therein be and are hereby approved; provided however, that only the Monitor, 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.

33. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Second Report, be and are hereby approved.

### **GENERAL**

34. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 1000843823 ONTARIO INC.

35. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this order is effective from the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need to be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court.

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

37. **THIS COURT ORDERS** that the Applicants, the Monitor and the Purchaser shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body for orders which aid and complement this order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Monitor and the Purchaser as may be deemed necessary or appropriate for that purpose.

38. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this order and to assist the Purchaser, the Applicants, ResidualCo, the Monitor and their respective agents in carrying out the terms of this order, the Subscription Agreement, and the Restructuring Steps. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Purchaser, the Applicants, ResidualCo and to the Monitor, as an officer of this court, as may be necessary or desirable to give effect to this order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Purchaser, the Applicants, ResidualCo, the Monitor and their respective agents in carrying out the terms of this order, the Subscription Agreement, and the Restructuring Steps.

39. **THIS COURT ORDERS** that this order and all of its provisions are effective as of 12:01 a.m. EST on the date hereof, provided that the Restructuring Steps set out in paragraph 6 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 6 hereof.

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## Schedule “A” – Form of Monitor’s Closing Certificate

Court File No. CV-24-00713029-00CL

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF FRESH CITY FARMS INC. AND MAMA  
EARTH ORGANICS INC.

### MONITOR’S CERTIFICATE

#### RECITALS

A. Pursuant to an Initial Order of the Ontario Superior Court of Justice (the “**Court**”) dated January 18, 2024 (the “**Initial Order**”), Fresh City Farms Inc. and Mama Earth Organics Inc. were granted creditor protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCA**”) and PricewaterhouseCoopers Inc. was appointed as court-appointed monitor of the Applicants (the “**Monitor**”).

B. Pursuant to an Order of the Court dated March 22, 2024 (the “**Approval and Reverse Vesting Order**”), the Court, *inter alia*, (i) approved the Subscription Agreement and the Transactions; (ii) vested out of the Applicants all Excluded Contracts and Excluded Liabilities; (iii) authorized and directed Fresh City to file the Articles of Reorganization; (iv) terminated and cancelled all Prior Equity Interest in Fresh City for no consideration; (v) authorized and directed Fresh City to issue the Purchased Shares; and (vii) vested all of the right, title and interest in and to the Purchased Shares in the Purchaser, free and clear of any Claims and Encumbrances.

C. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order.

**THE MONITOR CERTIFIES** the following:

1. that it has received written confirmation from Fresh City and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing set out in the

Subscription Agreement have been satisfied or waived by the Purchaser or Fresh City, as applicable; and

2. the Purchaser has paid to the satisfaction of the Monitor, all Priority Payables, all Cure Costs and the Fee Accrual Reserve.

This Certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_.

**PricewaterhouseCoopers Inc. in its capacity  
as Monitor of Fresh City Farms Inc. and  
Mama Earth Organics Inc., and not in its  
personal or corporate capacity**

Per: \_\_\_\_\_  
Name:  
Title:

## Schedule "B" –List of Continuing Contracts

Vendor Name	Cure Costs					
CBSC Capital Inc	1,065.13					
Canon Canada Inc	1,569.78					
Butler Operations Inc.	3333.77					
Emmalea Davis	0					
Alexander Kam	0					
Ashley van der Laan	0					
Bell - Main 4166742642, (Organic) 54479406X	0					
Bell - MEO Landline - 4168508662	0					
Bell - MEO Internet - 509798390	0					
McWilliams Brothers Holding	0					
BBM Waterman Inc	15,425.00					
Cogeco Connexion Inc	0					
Miller Waste Systems Inc	769.51					
GFL Enviromental Inc	0					
The Descartes Systems Group Inc	1,776.65					
Telus - A/C#38202857	0					
ADT Security Services Canada, Inc.	446.54					
Rogers - MBST -730767480	0					
Rogers - MBR -569716400	0					
Rogers - MBQ - 660156316	0					
Rogers - MBJ -772792503	103.58					
Olympic Dust Control	0					
EC Advance Ltd.	0					
BGIS Global Integrated Solutions Realty ITF C	0.00					
Abell Pest Control	769.84					
Stripe	0					
CLE Capital Inc	0	LEASE #363658				
Mercedes Benz Vans Toronto	0	2019 Mercedes Sprinter - VIN 22857				
Mercedes Benz Vans Toronto	0	2018 Used MB Sprinter - VIN 26802				
Mercedes Benz Financial Services	0	MB 2017 Sprinter - VIN 43699				
Mercedes Benz Financial Services	0	2019 Mercedes Sprinter - VIN 26094				
Mercedes Benz Financial Services	0	2019 Mercedes Sprinter - VIN 12999				
Meridian One Cap	0	lease 623859				
Meridian One Cap	0	lease 654933				
Equilease	0	lease 250723				
Valiant	0	2018 FORD TRANSIT VAN2019 RAM PROMASTER C - VIN 44279& VIN 31291				
Foss National Leasing	0	Contracts 724204, 726382, 726421, 726422, 726423				
RBC	0	Conditional Sale- Vehicle 005 04128-52618270-001				
RBC	0	Conditional Sale- Vehicle 007 04128-52661593-001				
RBC	0	Conditional Sale- Vehicle 004 04128-52583896-001				
RBC	0	Conditional Sale- Vehicle 002 04128-52469088-001				
RBC	0	Conditional Sale- Vehicle 003 04128-55898473-001				

**IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF FRESH CITY FARMS INC. AND MAMA  
EARTH ORGANICS INC.**

Applicants

Court File No. CV-24-00713029-00CL

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

Proceedings commenced at Toronto

**APPROVAL AND REVERSE VESTING ORDER**

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**Lawyers for the Applicants**



SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**COUNSEL/ENDORSEMENT SLIP**

COURT FILE NO.: CV-24-00713029-00CL

DATE: **03-APR-2024**

NO. ON LIST: 2

TITLE OF PROCEEDING: FRESH CITY FARMS INC. et al.

BEFORE: JUSTICE OSBORNE

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party:**

Name of Person Appearing	Name of Party	Contact Info
KOUR, SHARON	FRESH CITY FARMS INC. AND MAMA EARTH ORGANICS INC.	<a href="mailto:skour@reconllp.com">skour@reconllp.com</a>
FELL, CAITLIN	FRESH CITY FARMS INC. AND MAMA EARTH ORGANICS INC.	<a href="mailto:cfell@reconllp.com">cfell@reconllp.com</a>

**For Defendant, Respondent, Responding Party:**

Name of Person Appearing	Name of Party	Contact Info
HAMRAZ, SHAHZRAD	DIP Lender and Proposed Purchaser	<a href="mailto:shamraz@ln.law">shamraz@ln.law</a>

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
NELMS, AIDEN	Counsel to the Monitor	<a href="mailto:nelmsa@bennettjones.com">nelmsa@bennettjones.com</a>
MCTAGGART, MICHAEL	Monitor	<a href="mailto:michael.mctaggart@pwc.com">michael.mctaggart@pwc.com</a>

## **ENDORSEMENT OF JUSTICE OSBORNE:**

1. The Applicants, Fresh City Farms Inc. and Mama Earth Organics Inc., bring this motion for:
  - a. an approval and reverse vesting order:
    - i. approving the share Subscription Agreement dated March 27, 2024 between Fresh City as issuer and the DIP Lender, as Purchaser;
    - ii. approving the Proposed Transaction contemplated in the Subscription Agreement that authorizes the Applicants to complete the Proposed Transaction;
    - iii. declaring 1000843823 Ontario Inc. (“Residual Co.”) to be an applicant in these CCAA proceedings;
    - iv. approving the Restructuring Steps necessary for completion of the Proposed Transaction, in sequence, such that upon delivery of a closing certificate by the Court-appointed Monitor, such Restructuring Step shall be deemed to have occurred in that sequence:
      1. all directors and officers of Residual Co. shall be deemed to have resigned, effective immediately;
      2. all Excluded Contracts and Excluded Liabilities shall vest in Residual Co. and become obligations thereof, and shall no longer be obligations of the Applicants;
      3. Fresh City shall assign to a new wholly-owned subsidiary (“Retail Co.”). The retail leases identified in the Subscription Agreement for which the counterparties have provided their consent to such assignment. Absent consent, the Retail Leases and corresponding liabilities shall vest in Residual Co.;
      4. Fresh City shall file or be deemed to have filed articles of reorganization;
      5. all equity interests in Fresh City shall be terminated, without consideration;
      6. Fresh City shall issue 1 million Class D common shares, which shall vest in the Purchaser in consideration for which the Purchaser shall pay the Total Consideration; and
      7. the Applicants shall cease being applicants in these CCAA proceedings;
  - b. Court-ordered third-party Releases in favour of the Released Parties (which include current and former directors, officers, employees, counsel and advisors to the Applicants, the Monitor and its counsel together with their respective present and former directors, officers, partners, employees and advisors, and the Purchaser and its current and former directors, officers, employees, legal counsel and advisors, from any liability existing prior to the Closing Time related to the order sought today or the CCAA proceedings, arising in connection with or



relating to the Subscription Agreement, the completion of the Proposed Transaction, or the Restructuring Steps, the Applicants' property and Business, prior dealings with the Applicants, or any agreement, matter or transaction involving the Applicants arising in connection with any of the foregoing, or the consummation of the proposed Transaction and the Restructuring Steps, all subject to section 5.1(2) of the CCAA;

c. an order:

- i. authorizing the Monitor to assign Residual Co. into bankruptcy, and authorizing but not requiring PricewaterhouseCoopers to act as trustee;
- ii. extending the Stay Period to the earlier of the date of the bankruptcy of Residual Co. and the Closing Time (the "CCAA Termination Date");
- iii. approving the Pre-Filing Report of the Monitor dated January 17, 2024, the First Report dated January 25, 2024 and the Second Report dated March 29, 2024, together with the activities of the Monitor and its counsel described therein;
- iv. approving the fees and disbursements of the Monitor and its counsel as attached to and described in the Second Report; and
- v. discharging the Monitor upon occurrence of the CCAA Termination Date; and

d. an order:

- i. requiring Stripe Payments Canada, Ltd. ("Stripe") to remit to the Applicants within 15 calendar days the amount of \$317,725.24, representing funds of the Applicants that are or have been withheld by stripe from and after January 18, 2024;
- ii. prohibiting Straight from withholding further funds of the Applicants until the termination of this CCAA proceeding; and
- iii. providing stripe until April 18, 2024 to apply to this Court to vary or amend the order on not less than seven calendar days' notice to the Applicants, Monitor and any other party likely to be effected by the order.

2. The Service List has been served. The relief sought today is unopposed, and is recommended by the Court-appointed Monitor and strongly supported by the DIP Lender/Proposed Purchaser.
3. Defined terms in this Endorsement have the meaning given to them in the motion materials, including but not limited to the Second Report, unless otherwise stated.
4. The Applicants rely on the Affidavit and Supplementary Affidavit of Ran Goel sworn March 27, 2024 and April 2, 2024, respectively, each, together with Exhibits thereto, and the Second Report, together with the Appendices thereto.

5. The Applicants operate a large organic grocery business in Ontario that includes an online shopping platform and delivery service, a commercial urban city farm, a commercial grade professional kitchen bakery and butchery, and four baked goods boutiques located in downtown Toronto.
6. The Applicants sought and were granted relief under the *CCAA* by Order dated January 18, 2024, amended and restated on January 26, 2024. Also on January 26, 2024, the Court approved a proposed SISP and directed the Applicants to conduct the SISP with the assistance and oversight of the Monitor. That was done.
7. A virtual data room was populated. Interest was solicited from more than 66 potentially interested parties. Discussions were undertaken with approximately 20 parties. Ultimately, 12 parties executed non-disclosure agreements.
8. Notwithstanding all of the foregoing, however, no bid or expression of interest was received by the Bid Deadline. The Monitor, in consultation with the Applicants, considered a potential extension of the Bid Deadline, but determined that such was unlikely to yield a superior outcome.
9. Accordingly, and as contemplated under the SISP already approved, the DIP Lender exercised its right to submit a DIP Credit Bid, and that resulted in the Subscription Agreement pursuant to which the DIP Lender, as Purchaser, would acquire newly issued shares of the Applicants subject to obtaining the Vesting Order.
10. The Applicants Submit that the Subscription Agreement is the only available option that permits the Business of the Applicants to continue as a going concern for the benefit of all stakeholders and the preservation of the Business as a key enabler for a locally sourced, responsible food infrastructure in Ontario.
11. The Applicants further submit that the reverse vesting structure contemplated by the Subscription Agreement is necessary and appropriate to avoid disruptions and maximize and preserve the current and future value of the Business for the Purchaser in that it:
  - a. preserves the significant accrued tax losses of the Applicants, which are non-transferable assets;
  - b. preserves the scientific research and experimental development tax incentives and refundable tax credits of the Applicants, which have a value of approximately \$150,000 and are non-transferable;
  - c. minimizes the costs, risks and delays associated with a requirement to renegotiate or assign the approximately 270 Continuing Contracts to a new entity; and
  - d. protects certain licenses and certifications held by the Applicants not easily transferable or replaceable, including the Canadian Food Inspection Agency Licence under the *Safe Food for Canadians Act* and the Applicants' B Corp Certification, their AgriCorp Farm Business Registration and their City of Toronto retail licences.
12. The Purchaser is the DIP Lender, comprised of two existing shareholders of Fresh City. In exchange for the 1 million Class D common shares in Fresh City ("the New Shares"), the Purchaser will deliver as Consideration for the New Shares:

- a. a release of all amounts outstanding by the Applicants to the DIP Lender, being approximately \$2.2 million plus accrued interest;
  - b. the payment by the Purchaser on or before Closing, in cash, of all amounts that rank in priority to the DIP Lender's Charge, including all amounts secured under the Administration Charge, and all monetary defaults existing as of Closing in respect of the Continuing Contracts other than those arising by reason only of the insolvency of the Applicants, the commencement of these proceedings, or the Applicants' failure to perform a non-monetary obligation; and
  - c. the payment in cash prior to Closing of \$200,000 to the Monitor for professional fees in connection with the winding down of the *CCAA* proceedings and the bankruptcy of Residual Co.
13. Continuing Contracts and the liabilities related thereto shall remain with the Applicants. These include 220 employment agreements and 50 other contracts identified in the Subscription Agreement.
14. Excluded Contracts and Excluded Liabilities will be vested in Residual Co. and include all financing agreements to which the Applicants are borrowers or guarantors.
15. The Closing Date to the proposed transaction is 10 business days after issuance of the Vesting Order, or later on agreement of the parties, with the consent of the Monitor.
16. The Applicants submit that the Subscription Agreement and the Proposed Transaction contemplated therein should be approved because:
- a. it is the best and only bid received after the extensive SISP;
  - b. it is the only opportunity for the Business to continue as a going concern for the benefit of all stakeholders, absent which the Applicants will cease operations and liquidate their assets in a bankruptcy, yielding a less favourable result for all stakeholders;
  - c. it preserves the Business for the benefit of stakeholders and others, such as local, organic farmers and food producers;
  - d. it contemplates continuing substantially all contracts of the Applicants, including employment contracts with all existing employees, the collective bargaining agreement, supplier contracts and customer contracts;
  - e. it treats the stakeholders of the Applicants no differently than if the structure were not a reverse vesting structure in that Priority Payables will be paid in cash and parties with Continuing Contracts will be paid their Cure Costs, if any, in cash; and
  - f. it represents an efficient process to implement the Proposed Transaction in a manner that minimizes cost, risk and delay with respect to the otherwise required renegotiation or assignment of over 250 contracts and non-transferable licences and certifications held by the Applicants.

17. The Applicants submit that the proposed Releases are appropriate since the Released Parties have been instrumental to these restructuring proceedings and their continued involvement is key to successfully implementing the Proposed Transaction and to the Business going forward, and are fully supported by the Monitor as being fair, reasonable and appropriate in the circumstances.
18. The Applicants also submit that the extension of the Stay Period to the *CCAA* Termination Date is appropriate to preserve the status quo until the Proposed Transaction and Restructuring Steps are implemented and the Monitor has completed the remaining administrative steps. The Applicants have acted and continue to act in good faith and with due diligence.
19. The Applicants further submit that it is appropriate to release them from *CCAA* protection upon the occurrence of the Closing Time since they will then be solvent and will not require creditor protection.
20. The Applicants further seek the addition of Residual Co. as a party Applicant in the *CCAA* proceedings in order that the Court will have jurisdiction to vest the Excluded Contracts in Residual Co. and authorize the Monitor to assign Residual Co. into bankruptcy, all with a view to ensuring that there is no gap and that the Proposed Transaction and Restructuring Steps are implemented in accordance with the Subscription Agreement.
21. The Applicants also seek approval of the activities and fees of the Monitor and its counsel, all as described in the Second Report.
22. Finally, the Applicants seek the order requiring Stripe to remit to applicants the sum referred to above, and preventing Stripe from withholding further funds until the termination of this *CCAA* proceeding.
23. Over the past number of years, the Applicants have used stripe as their payment processor pursuant to the Stripe Services Agreement, for the payments received from customers who purchase products from the e-commerce platform of the Applicants. On a daily basis, the Applicants send to Stripe a list of the customer orders to process. Stripe processes those payments based on the respective delivery dates of the online orders.
24. On or about March 19, 2024, the Applicants realized and became aware that Stripe was retaining a portion of their funds in what Stripe referred to as a “risk reserve” without authority or even notification of the withholding. Stripe continues to withhold funds with the result that its so-called “risk reserve” continues to increase. As of April 2, 2024, Stripe was withholding \$317,725.24, representing approximately one week’s revenue for the Applicants.
25. The Applicants seek the relief today in respect of Stripe because it is unresponsive to all attempts at communication, let alone repayment of the improperly diverted funds. The only options to contact Stripe customer support are, by email, live chat or requesting a phone call, although no inbound phone number is provided. The Applicants have availed themselves of all of the available options without success. Stripe’s only response to date has been to advise that it is investigating the matter and that the so-called “risk reserve”, or withholding of funds, was a measure “to protect you, Stripe, and your customers from fees related to potential refunds and disputes”.
26. Stripe has been repeatedly advised of the *CCAA* Proceedings and has been provided with a copy of the ARIO which Stripe has breached by the withholding of funds. On March 26, 2024, counsel to the Applicants contacted the legal department of Stripe to escalate the matter. Again, the only response from Stripe was to advise that it continued to investigate the matter.

27. The Applicants submit that the funds are held in breach of the ARIO, and are of a quantum, continually increasing, that is critical to the continued operation of the Business by the Applicants and were contemplated to be used in the cash flow forecasts as funds necessary for the completion of the *CCAA* Proceedings.
28. I am satisfied that the relief sought by the Applicants should be granted.
29. This Court has jurisdiction pursuant to s.36 of the *CCAA* to approve the sale of assets outside the ordinary course of business: *Nortel Networks Corporation (Re)* (2009), 55 C.B.R. (5th) 229 (Ont Sup Ct) (“*Nortel*”), at para. 48. Section 36(3) sets out the relevant factors to be considered. Those factors overlap and dovetail with the *Soundair* Principles: *Re CanWest Publishing Inc.*, 2010 ONSC 2870, at para. 13; *Royal Bank of Canada v Soundair Corp.* (1991) 4 O.R. (3d) 1 (CA).
30. Where the sale contemplated is to a related party, the test contemplated by ss.36(4) of the *CCAA* must also be satisfied.
31. I am satisfied here that as submitted by the Applicants and strongly recommended by the Monitor, the Sale Process and the resulting Transaction meet the statutory test under the *CCAA*, including the related party criteria, and satisfy the *Soundair* test.
32. The Sale Process was fair, transparent and reasonable in the circumstances, and sufficient effort was made to obtain the best price. The Monitor approves of the Sale Process and the Proposed Transaction. The Sale Process, previously approved by this Court, was conducted in a manner that was fair and reasonable to existing creditors and two new potential purchasers. Regrettably, it did not yield fruit.
33. There is no prejudice to any creditor as a consequence of the Proposed Transaction, and there are no viable alternatives. The Proposed Transaction benefits the whole economic community of stakeholders by permitting the Business to continue as a going concern. I pause to observe that this preserves the employment of 220 employees. Finally, the consideration to be given by the Purchaser through a credit bid is fair and reasonable in all the circumstances.
34. I am also satisfied that while a reverse vesting structure remains the exception, and not the rule, it is appropriate in the particular circumstances of this case (see: *Validus Power Corp et al v. Macquarie Equipment Finance Limited*, 2024 ONSC 250 (“*Validus*”), paras. 43-44; *NextPoint Financial, Inc. (Re)*, 2023 BCSC 2378 (“*NextPoint*”), para. 14).
35. This Court has broad jurisdiction pursuant to s. 11 of the *CCAA*, and that broad jurisdiction has been held to include the jurisdiction to approve a reverse vesting order. In considering whether to grant a reverse vesting order, the Court must be satisfied that the structure is appropriate, and that analysis is informed by a consideration of the following factors, in addition to the *Soundair* Principles and the statutory test in s.36(3) of the *CCAA*: *Harte Gold Corp. (Re)*, 2022 ONSC 653, at para. 38.
36. I am satisfied that those factors have been satisfied here. The reverse vesting order is clearly necessary for the maintenance and preservation of non-transferable licences in a highly regulated environment. Just as Justice McEwen observed in *Just Energy Group Inc. et. al. v Morgan Stanley Capital Group Inc. et. al.*, 2022 ONSC 6354 at para. 33, a reverse vesting structure may be appropriate where the debtor operates in a highly regulated environment in which its existing permits, licenses or other rights are difficult or impossible to reassign to a purchaser, the debtor is a party to certain key agreements that would be similarly difficult or impossible to assign to a purchaser, and where maintaining the

existing legal entities would preserve certain tax attributes that would otherwise be lost in a traditional vesting order transaction. That is the case here, for the reasons expressed above and which include the fact that the tax losses and SRED Claims of a collective value of more than \$24 million and would be lost in an asset transaction but are preserved in the proposed reverse vesting structure here.

37. The reverse vesting structure produces an economic result at least as favourable as any other viable alternative. In this particular case, the economic result is clearly superior as there is no other viable alternative. As noted above, the SISP produced no bids at all with the result that the only alternative to the proposed Transaction is a bankruptcy.
38. I am satisfied that no stakeholders worse off than they would be under any other viable alternative, principally for the reason that the only alternative is a bankruptcy which will result in the termination of all 220 employment contracts and the loss of those jobs, as well as the termination of all other contracts to which the Applicants are parties. Under the proposed structure, all amounts in priority to the DIP Charge will be paid in full on Closing, all cure costs associated with the Continuing Contracts will be paid in full on Closing and the test for assignment of contracts, as set out in s.11.3 of the *CCAA* has been satisfied here.
39. Finally, I am satisfied that the consideration being paid reflects the importance and value of the relevant licences and permits being preserved.
40. For all of these reasons, the proposed Transaction is approved.
41. I am also satisfied that the Restructuring Steps required to implement the proposed Transaction should be approved. First, and most obviously, that follows from the approval of the Transaction. I am satisfied that my jurisdiction to approve these Restructuring Steps flows from ss. 11 and 36(1) of the *CCAA*. That jurisdiction includes the jurisdiction to approve the transaction outside the ordinary course of business despite the requirement for shareholder approval, as would otherwise be required here, for the proposed cancellation of existing shares and equity.
42. I am also satisfied that in the particular circumstances of this case, the proposed releases, including third party releases, are appropriate and can be granted under s. 11 of the *CCAA*. The factors set out in *Metcalfe & Mansfield Alternative Investments II Corp. (Re)*, 2008 ONCA 587, at para. 70 (leave to appeal to SCC dismissed, 2008 CanLII 46997) and *Lydian International Limited (Re)*, 2020 ONSC 4006, at para. 54, have been satisfied here.
43. The claims to be released are rationally connected to the transaction and are fair, reasonable, and not overly broad. Here, they are limited to and directly connected to the *CCAA* Proceedings, the proposed Transaction and the Restructuring Steps. They carve out in preserved claims not permitted to be released pursuant to s.5.1(2) of the *CCAA* and claims arising from fraud or wilful misconduct.
44. The continuation of the current officers, directors and employees of the Applicants are critical to the proposed Transaction and required by the Purchaser as a condition. Those parties have all made a contribution to this proceeding, and the results sought to be achieved. The releases benefit stakeholders generally. In that, since they are a condition of the proposed Transaction, that Transaction would not occur absent them. The Monitor supports the proposed releases. The Service List has been served and no party appears today to object to this relief.
45. The proposed releases are approved.

46. I am also satisfied that the Stay Period should be extended until the *CCAA* Termination Date, being the date of the bankruptcy of Residual Co. that is necessary to complete the Transaction, protect the status quo and maintain the value sought to be preserved through the Transaction itself. I am satisfied that the Applicants have acted and continue to act in good faith and with due diligence: s. 11.02 of the *CCAA*.
47. I am also satisfied that the activities of the Monitor and the approval of its fees and those of its counsel are appropriate and should be approved. The activities were directly related to the steps necessarily undertaken to achieve the Transaction and are consistent with the mandate of the Monitor set out in the order by which it was appointed. The fees of the Monitor and its counsel are appropriate and commence with the completion of those tasks: see *Bank of Nova Scotia v. Deimer*, 2014 ONCA 851 at para. 45.
48. Finally, I am satisfied that the relief sought in respect of Stripe is appropriate in the circumstances. The funds were withheld not only without lawful right or even notice to the Applicants, but in direct breach of the ARIO. If Stripe was not initially aware of the ARIO, it certainly was made aware repeatedly by counsel to the Applicants. Yet still, it refuses to engage meaningfully or even explain the basis upon which it purports to withhold the funds, let alone remit them to the Applicants. The evidence is clear that those funds constitute a material amount that is critical to the cash flow projections and therefore the successful restructuring.
49. Delivery of the Supplementary Notice of Motion in respect of this relief was short served on Stripe. This was largely as a result of the fact that, notwithstanding the repeated and continuing efforts to contact Stripe, it has no inbound telephone number and is unresponsive to email inquiries. The corporate profile report, filed on this motion, reflects that there is no Canadian resident director of Stripe. I pause to observe that this case is a perfect illustration of why many jurisdictions such as Ontario have such a requirement. In short, it is difficult to contact an actual human being at Stripe, let alone get one to respond on a timely basis, even when advised that Stripe is in breach of a court order. I am satisfied that even if notice as required under the Rules of Civil Procedure had been given, the situation would be no different today.
50. For all of these reasons, I have granted the relief today. However, and given the short service, the Stripe order also includes a comeback clause, thereby giving Stripe the ability to return to court in short order on seven days' notice, if it wishes to do so, to seek to vary, amend or set aside the order. It must do so, however, promptly, and no later than April 18, 2024. The evidence in the record establishes that Stripe has been unresponsive, and if this restructuring is to be successful, the Applicants need to know with certainty to their right to receive the funds being withheld by Stripe. In addition, and to state the obvious, nothing in any order I make today affects or prejudices the ability of Stripe to appeal the order in the ordinary course.
51. The Applicants are directed to serve forthwith a copy of this Endorsement, as well as the orders, on Stripe at the email addresses that the Applicants and their counsel have been using to communicate with Stripe thus far, by courier to the registered records address reflected in the corporation profile report, and to each of the directors of Stripe at their addresses reflected in the corporation profile report, by regular first class mail.
52. Both orders to go in the form signed by me today. These orders are effective immediately and without the necessity of issuing and entering, although the Applicants may take out either or both orders through the Commercial List office if necessary.

Osawa, J.

## Contract Pharmaceuticals

### INDEX

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1	Pages to Loan Agreement dated November 22, 2017
2	Pages to Loan Agreement dated March 6, 2018
3	Pages to Loan Facility Agreement dated December 6, 2018
4	Pages to Subscription Agreement dated March 30, 2024
5	Approval and Reverse Vesting Order dated April 17, 2024
6	Endorsement of Black J. dated April 17, 2024





Royal Bank of Canada  
 Commercial Financial Services  
 6880 Financial Drive 2nd Floor Mezzanine  
 Mississauga, Ontario L5N 7Y5

November 22, 2017

**Private and Confidential**

**CONTRACT PHARMACEUTICALS LIMITED CANADA**

7600 Danbro Crescent  
 Mississauga, Ontario  
 L5N 6L6

ROYAL BANK OF CANADA (the “**Bank**”) hereby confirms the credit facilities described below (the “**Credit Facilities**”) subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the “**Agreement**”). This Agreement amends and restates without novation the existing agreement dated August 10, 2015 and any amendments thereto. Any amount owing by the Borrower to the Bank under such previous agreement is deemed to be a Borrowing under this Agreement. Any and all security that has been delivered to the Bank and is set forth as Security below, shall remain in full force and effect, is expressly reserved by the Bank and, unless expressly indicated otherwise, shall apply in respect of all obligations of the Borrower under the Credit Facilities. Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or events of default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or event of default.

**BORROWER:** Contract Pharmaceuticals Limited Canada (the “**Borrower**”)

**CREDIT FACILITIES**

**Facility #1:** \$19,500,000.00 revolving demand facility by way of:

a) RBP based loans (“**RBP Loans**”)

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 0.50%

b) Libor based loans in US currency (“**Libor Loans**”)

Interest rate (per annum):	Libor + 2.75%
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c) Letters of Guarantee (“**LGs**”)

Fees to be advised on a transaction-by-transaction basis. Fees and drawings to be charged to Borrower’s accounts. Minimum fee of \$100.00.
--

protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

#### **GENERAL INDEMNITY**

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

#### **AMENDMENTS AND WAIVERS**

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

#### **SUCCESSORS AND ASSIGNS**

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

#### **GAAP**

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

#### **SEVERABILITY**

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.



## LOAN AGREEMENT

March 6, 2018

Contract Pharmaceuticals Limited Canada  
7600 Danbro Crescent  
Mississauga, ON L5N 6L6

Attention: **Mr. Marcel Vieno**

RE: Loan from Export Development Canada to Contract Pharmaceuticals Limited Canada  
EDC Loan No. 880-65706

Capitalized words or phrases not otherwise defined herein have the meanings set out in Schedule A.

Export Development Canada ("**EDC**") agrees to establish a credit facility in favour of the Borrower for the Purpose, on the following terms and conditions:

1. **Borrower** Contract Pharmaceuticals Limited Canada  
**"Jurisdiction of Incorporation"** means Ontario
2. **Guarantor(s)** CPL Canada Holdco Limited  
**"Jurisdiction of Incorporation"** means Ontario
3. **Facility Amount** Up to USD15,000,000 term facility. Amounts repaid or prepaid may be re-borrowed, provided that the aggregate of all amounts outstanding hereunder shall at no time exceed USD15,000,000.  
  
The currency of account and payment is the currency of the Facility Amount.
4. **Purpose** To assist in financing planned capital expenditure needs of the Borrower including the purchase of eligible Goods and Services and to provide funds to payout the loan agreement among the Borrower, CPL Canada Holdco Limited and EDC dated October 28, 2015 (the "**Prior Loan Agreement**").  
  
For clarity, notwithstanding the execution by the parties of this Loan Agreement, the terms and conditions of the Prior Loan Agreement shall continue to be in effect until all amounts owing under the Prior Loan Agreement have been fully repaid.
5. **Availability** In up to 8 advances in USD, provided that there shall be no more than 1 advance per quarter, each in increments of no less than USD1,000,000, or the remaining available funds, should the available funds at the time of a given Request for Advance be less than USD1,000,000, on a revolving basis for an aggregate principal amount up to but not exceeding USD15,000,000, no later than the date which falls 24 months after the date hereof (the "**Termination Date**").  
  
No advance made hereunder shall exceed 80% of the purchase price of the Goods and Services in respect of which the advance has been requested.

the WTO Subsidies and Countervailing Measures Agreement; (b) to counsel for EDC; (c) to bank examiners, advisors, agents, auditors, consultants or accountants; (d) in connection with any litigation or enforcement activity or other action relating to this Agreement, any other Transaction Document, or the transactions contemplated hereby or thereby to which EDC is a party; (e) to any party with or through whom EDC enters or proposes to enter into any kind of transfer, participation, subparticipation or assignment of, or to any party who would otherwise become directly or indirectly entitled to, EDC's rights and benefits hereunder or under any other Transaction Document or to successors of EDC; (f) to any actual or prospective party to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payment hereunder; or (g) required to be disclosed pursuant to EDC's Disclosure Policy being the name of each Transaction Party, the EDC financial service provided and date of related agreement, a general description of the transactions/project (including country) and the amount of EDC support in an approximate dollar range.

**Notice.** Any notice, demand, request, waiver, agreement, consent, or any other communication under this Agreement must be in writing to be effective and will be hand-delivered or sent by registered mail, telefax or email to the addresses for notice appearing under each party's signature, or such other address, telefax number, or email address or to the attention of such other individual which either party may from time to time notify the other in writing. Any notice delivered by hand, by registered mail or by email will be deemed to have been given when received, and if transmitted by fax, on the day of transmission unless such day is not a Business Day, in which case the following Business Day. In this section, "Business Day" means a day in the recipient's jurisdiction when banks are generally open for public business. Communications sent to an email address will be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement). In this Agreement, "in writing" includes printing, typewriting or any electronic transmission that can be reproduced as printed text, on paper, at the point of reception.

**Assignment.** This Agreement will be binding upon and enure to the benefit of the parties and their respective successors and

assigns. Neither the Borrower nor any Guarantor may assign or transfer all or any part of its rights or obligations hereunder without the prior written consent of EDC.

**Amendments.** Neither this Agreement nor any other Transaction Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by EDC and the Transaction Parties that are party thereto.

**Severability.** Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

**Time of Essence.** Time is of the essence in respect of all obligations and provisions of each Transaction Document.

**Counterpart.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which will constitute together one and the same instrument and the parties agree that receipt by fax or portable document format (pdf) of an executed copy of this Agreement will be deemed to be receipt of an original.

**English Language.** The parties agree that this Agreement and each other Transaction Document will be in the English language or will be accompanied by an English translation certified by the Borrower or upon request by EDC will be accompanied by an English translation certified by an officially sworn licensed translator to be complete and correct. *Les parties aux présentes conviennent que cette convention de prêt ainsi que tout document qui s'y rapporte et devant être fourni par l'Emprunteur, sera rédigé en langue anglaise ou sera accompagné d'une traduction anglaise certifiée par l'Emprunteur comme étant complète et vraie.*

**Entire Agreement.** The Transaction Documents constitute the entire understanding among the parties with respect to the subject matter hereof and supersede any and all prior agreements or understandings, written or oral, with respect thereto.

**FACILITY AGREEMENT****dated as of December 6, 2018****by and among****Glasshouse Pharmaceuticals Limited Canada,****as the Borrower,****the other Loan Parties party hereto from time to time,****the Lenders****and****Deerfield Private Design Fund IV, L.P.,****as agent for itself and the Lenders**



## **6.5 Successors and Assigns.**

This Agreement shall bind and inure to the respective successors and assigns of the Parties, except that no Loan Party may assign or otherwise transfer all or any part of their rights or obligations (including the Obligations and the CVR Obligations) under the Loan Documents or the Contingent Value Right without the prior written consent of all of the Lenders, and any prohibited assignment by the Loan Parties shall be absolutely void *ab initio*. Any Lender or other Secured Party may assign or transfer its rights, Obligations or CVR Obligations (including any Subsequent Disbursement Commitments) under the Loan Documents or the Contingent Value Right. Upon a Lender's assignment of any of the Loans or Subsequent Disbursement Commitments held by it, such Lender shall provide notice of the transfer to Borrower (with a copy to Agent) for recordation in the Register pursuant to Section 1.4. Upon receipt of a notice of a permitted transfer of an interest in a Loan or a Subsequent Disbursement Commitment, the Borrower shall record the identity of the transferee and other relevant information in the Register and the transferee shall (to the extent of the interests transferred to such transferee) have all the rights and obligations of, and shall be deemed, a Lender with respect to such Loan or Subsequent Commitment (as applicable) hereunder or under the other Loan Documents.

In addition to the other rights provided in this Section 6.5, each Secured Party may grant a security interest in, or otherwise assign as collateral, any of its rights under the Loan Documents and the Contingent Value Right, whether now owned or hereafter acquired (including rights to payments of principal or interest on the Loans), to any holder of, or trustee for the benefit of the holders of, such Secured Party's Indebtedness or equity securities.

## **6.6 Entire Agreement; Amendments.**

- (a) The Loan Documents and the Contingent Value Right contain the entire understanding of the Parties with respect to the matters covered hereby and thereby and supersede any and all other written and oral communications, negotiations, commitments and writings with respect thereto.
- (b) The provisions of this Agreement shall not be amended, restated, supplemented, terminated, changed or otherwise modified or waived (or any deviation of any such provision be consented to) except by an agreement or instrument in writing signed by an authorized officer of each Party.
- (c) No consideration shall be offered or paid (in any form, whether cash, Stock, other property or otherwise) to any Loan Party to amend, restate, supplement, modify or change or consent to a waiver of (or a diversion from) any provision of any of the Loan Documents unless the same consideration also is offered to all of the Lenders under the Loan Documents. For clarification purposes, this provision constitutes a separate right granted to each Lender and is not intended for the Borrower or any other Loan Party to treat the Lenders as a class and shall not be construed in any way as the Lenders acting in concert or otherwise as a group with respect to the purchase, disposition or voting of securities or Stock or otherwise.

## **6.7 Severability.**

If any provision of this Agreement or any of the other Loan Documents or any Contingent Value Right shall be invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof or thereof shall not in any way be affected or impaired thereby. The Parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with

**SHARE PURCHASE AGREEMENT**

**CONTRACT PHARMACEUTICALS LIMITED**

**as Seller**

**- and -**

**AIP ELIXIR BUYER INC.**

**as Buyer**

**MARCH 30, 2024**

- (ii) subject to the Company obtaining the Terminated Employee Fund Order, establishing, or causing to be established, the Terminated Employee Fund and funding the amount of the Terminated Employee Fund to the Monitor.

## **2.5 Transfer of Excluded Assets and Excluded Liabilities to ResidualCo.**

- (a) On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Vesting Order, the Excluded Assets, the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by ResidualCo, and the same shall be vested in ResidualCo pursuant to the Approval and Vesting Order.
- (b) On the Closing Date, the Company shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Retained Contracts, Permits and Licenses and books and records of the Company (the “**Retained Assets**”), except, however, any products or inventory sold in the ordinary course of business during the Interim Period. For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo in accordance with the Closing Sequence on the Closing Date and same shall be vested in ResidualCo.

## **2.6 As is, Where is**

THE BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE REPRESENTATIONS AND WARRANTIES OF THE SELLER IN Article 3 (ALL OF WHICH SHALL MERGE UPON THE CLOSING), THE BUSINESS AND THE CPL SHARES ARE PURCHASED AND THE RETAINED ASSETS AND THE ASSUMED LIABILITIES ARE RETAINED ON AN “AS IS, WHERE IS” BASIS AS THEY SHALL EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE BUSINESS, THE CPL SHARES, THE RETAINED ASSETS AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO THE SELLER OR THE MONITOR OR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS. THE BUYER AGREES TO ACCEPT THE BUSINESS, THE CPL SHARES, THE RETAINED ASSETS AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THE BUYER’S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, the Buyer acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by either of the Seller in this Agreement or in any instrument furnished in connection with this



**SCHEDULE D****EXCLUDED CONTRACTS**

- (a) RBC Facility, RBC Security Agreement and RBC Intercreditor Agreement
- (a) Deerfield Facility, Deerfield Security Agreement and Deerfield Intercreditor Agreement
- (b) EDC Facility and EDC Security Agreement
- (c) The FedDev Facility
- (d) ANDA Sale and Assignment Agreement dated April 14, 2023 between Chartwell RX Sciences, LLC and Glasshouse Pharmaceuticals Limited Canada



Court File No. CV-23-711401-00CL

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

THE HONOURABLE

)

WEDNESDAY, THE 17<sup>TH</sup> DAY

JUSTICE W.D. BLACK

)

OF APRIL, 2024

)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the "**Applicants**")

**APPROVAL AND REVERSE VESTING ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (a) approving the Share Purchase Agreement (as amended and as may be further amended, the "**Agreement**") between Contract Pharmaceuticals Limited, as seller ("**Seller**"), and AIP Elixir Buyer Inc., as buyer ("**Buyer**"), dated as of March 30, 2024 and attached hereto as **Schedule "A"** and the transaction contemplated therein (the "**Transaction**"), (b) vesting and transferring the Excluded Assets, Excluded Contracts and Excluded Liabilities (including in relation to CPL Canada Holdco, CPL Canada, and Glasshouse Canada (collectively, the "**Company**")) in and to 1000834899 Ontario Inc. ("**ResidualCo**"), and (c) granting certain related relief, was heard this day by videoconference.

**ON READING** the Motion Record and Supplementary Motion Records of the Applicants, including the affidavits of Jan Sahai sworn April 3, April 9 and April 12, 2024, the Third and Fourth Reports of KSV Restructuring Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), dated April 9 and April 15, 2024, respectively, and on hearing the

submissions of counsel for the Applicants, counsel for the Monitor, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P. (“**Deerfield**”), counsel for Royal Bank of Canada, and counsel for Export Development Canada, and such other counsel as were present, no one else appearing although duly served:

## **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated December 22, 2023 (the “**ARIO**”), the SISP Approval Order dated December 22, 2023 (the “**SISP Approval Order**”), or the Agreement, as applicable, and the following capitalized terms shall have the following meanings:

- (a) “**Expunged Claims**” means all Claims and Encumbrances (including, without limitation, the Excluded Liabilities) other than the Retained Obligations; and
- (b) “**Retained Obligations**” means (i) the Assumed Liabilities and (ii) the Permitted Encumbrances.

## **APPROVAL OF THE TRANSACTION**

3. **THIS COURT ORDERS AND DECLARES** that the Agreement (including the First Amending Agreement dated April 12, 2024 (the “**First Amendment**”)) and the Transaction are hereby approved, and the execution of the Agreement (including the First Amendment) by the

Seller is hereby authorized and approved, with such minor amendments to the Agreement as the parties to the Agreement may deem necessary or desirable, with the approval of the Monitor.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicants to proceed with and complete the Transaction and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that the Seller, the other Applicants and the Monitor are hereby authorized to perform their obligations under the Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction.

#### **PRE-CLOSING REORGANIZATION**

6. **THIS COURT ORDERS** that the Pre-Closing Reorganization is hereby approved and the Applicants are hereby authorized to (a) implement and complete the Pre-Closing Reorganization in the manner and sequence specified in the Agreement, with such amendments thereto as the parties to the Agreement may deem necessary or desirable with the consent of the Monitor, and (b) perform such acts and execute such documents as contemplated under the Pre-Closing Reorganization or as may be necessary or desirable for the completion of the Pre-Closing Reorganization. Subject to the Effective Time occurring, US\$8,000,000 owing under the Deerfield Facility will, and will be deemed to, be fully and finally released as contemplated by the Deferred Payment Agreement immediately prior to commencement of the Pre-Closing Reorganization with effect on Closing.

7. **THIS COURT ORDERS** that the Applicants are permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be necessary or desirable to effectuate the Pre-Closing Reorganization and that such articles, documents or instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under applicable law to obtain director, shareholder, partner, member or other approval under applicable law.

**VESTING OF EXCLUDED ASSETS, EXCLUDED CONTRACTS, EXCLUDED LIABILITIES AND CPL SHARES**

8. **THIS COURT ORDERS** that upon the delivery by the Monitor of the Monitor's certificate substantially in the form attached as **Schedule "B"** hereto (the "**Monitor's Certificate**") to the Applicants and the Buyer, the Closing Sequence shall occur and shall be deemed to have occurred in the sequence set out in the Agreement at the time of delivery of the Monitor's Certificate (the "**Effective Time**"), and the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

- (a) all right, title and interest of the Company in and to the Excluded Assets shall, for no consideration, be transferred to and vest absolutely and exclusively without recourse in ResidualCo;
- (b) all Excluded Contracts shall, for no consideration, be transferred to, assumed by and vest absolutely and exclusively without recourse in ResidualCo;
- (c) all Excluded Liabilities shall, for no consideration, be transferred to, assumed by and vest absolutely and exclusively without recourse in ResidualCo (and, for

greater certainty, the assumption of the Excluded Liabilities will not be consideration for any Excluded Assets or Excluded Contracts);

- (d) all Expunged Claims shall be irrevocably and forever expunged, released and discharged as against the Company and the Retained Assets; and
- (e) all right, title and interest of the Seller in and to the CPL Shares shall vest absolutely and exclusively in the Buyer, free and clear of all Claims and Encumbrances, other than Permitted Encumbrances.

9. **THIS COURT ORDERS** that, as of the Effective Time:

- (a) the Company shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Expunged Claims;
- (b) the nature and priority of the Excluded Liabilities, including their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and assumption by ResidualCo;
- (c) any Person that prior to the Effective Time had an Expunged Claim against or in respect of the Company or any Retained Assets shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Company or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, as against ResidualCo from and after the Effective Time in its place and stead, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo; and

(d) except for the CPL Shares and the common shares of CPL Canada and Glasshouse Canada owned by CPL Canada Holdco, any agreement, contract, plan, indenture, deed, subscription right, conversion right, pre-emptive right or other document or instrument governing or having been created or granted in connection with any common shares, options, warrants, share units, or other equity interests of the Company shall be deemed terminated and cancelled for no consideration.

10. **THIS COURT ORDERS** that (a) nothing in this Order or the Agreement shall waive, compromise or discharge any obligations of the Company or the Buyer in respect of any Retained Obligations; (b) the designation of any Retained Obligation as such is without prejudice to the right of the Buyer or the Company to dispute the existence, validity or quantum of such Retained Obligation; and (c) nothing in this Order or the Agreement shall affect or waive the legal or equitable rights or defences of the Buyer or the Company with respect to such Retained Obligation, including, but not limited to, all rights with respect to entitlements to any set-offs or recoupment rights with respect to such Retained Obligation.

11. **THIS COURT ORDERS** that in the event that either the Company, the Seller or the Monitor becomes aware that record or beneficial ownership or possession of any asset that is not an Excluded Asset has been transferred to ResidualCo at the Closing, then it shall promptly notify the other Party (or Parties, as applicable), and the Parties and ResidualCo shall thereafter reasonably cooperate to, as promptly as practicable, sell, convey, transfer, assign and deliver (or cause to be sold, conveyed, transferred, assigned and delivered) the relevant asset to the Company.

12. **THIS COURT ORDERS** the Monitor to serve on the service list in these CCAA proceedings (the “**CCAA Proceedings**”), post on the Monitor’s website, and file with this Court

a copy of the Monitor's Certificate as soon as possible after the delivery thereof to the Applicants and the Buyer in connection with the Transaction.

13. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Seller and the Buyer regarding the satisfaction or waiver of the conditions to closing under the Agreement and shall have no liability with respect to the delivery of the Monitor's Certificate.

### **INJUNCTIONS**

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, commencing or enforcing any rights, entitlements, remedies, Claims or Encumbrances, including the Encumbrances to Be Discharged (but for certainty, excluding the Permitted Encumbrances), against or in respect of the CPL Shares, the Company, the Retained Assets or the Buyer in any way relating to, arising from or in respect of any of the following (collectively, the "**Specified Matters**"):

- (a) the Excluded Assets;
- (b) the Excluded Contracts;
- (c) the Excluded Liabilities;
- (d) the Expunged Claims;
- (e) any circumstance that existed or event that occurred prior to the Effective Time that would have entitled such Person to enforce such right, entitlement, remedy, Claim or Encumbrance (except to the extent relating to a Retained Obligation);



- (f) the insolvency of the Applicants prior to the Effective Time;
- (g) the commencement or existence of these CCAA Proceedings or any other insolvency proceeding in respect of the Applicants, including any proceeding under Chapter 15 of the United States Bankruptcy Code (the “**US Bankruptcy Code**”);
- (h) the completion of the Transaction and any actions taken by the Applicants pursuant to the Agreement, the Pre-Closing Reorganization, this Order, the ARIO, the SISP Approval Order or any other Order of the Court in these CCAA Proceedings; or
- (i) any change of control, whether direct or indirect, of the Company arising from the implementation of the Transaction.

## **RETAINED CONTRACTS**

15. **THIS COURT ORDERS** that the Retained Contracts shall remain in full force and effect, and the Company shall remain entitled to all of its rights, benefits and entitlements under such Retained Contracts. From and after the Effective Time, no Person who is a counterparty to or has any rights under any Retained Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations, enforce or exercise any right, entitlement or remedy (including any right of set-off), or make any demand with respect to such Retained Contract by virtue of or relating to any Specified Matter, and no automatic termination arising under such Retained Contract arising from or relating to any Specified Matter will have any validity or effect.

16. **THIS COURT ORDERS** that as of the Effective Time, all counterparties to a Retained Contract shall be deemed to have permanently waived any default or non-compliance by the

Company under the terms of any Retained Contract arising from or relating to any Specified Matter.

17. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Agreement shall be paid by the Company to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Buyer and the relevant counterparty to a Retained Contract.

### **CANCELLATION OF SECURITY REGISTRATIONS**

18. **THIS COURT ORDERS** that, from and after the Effective Time, the Seller, the Buyer and the Company and their respective counsel and agents are authorized to take all steps and execute such documents and instruments as may be necessary or desirable to effect the discharge of any Encumbrances (including, without limitation, those Encumbrances listed on Schedule “B” of the Agreement), except for any Permitted Encumbrances, as against the CPL Shares, the Company or the Retained Assets in any applicable jurisdiction.

19. **THIS COURT ORDERS** that, upon presentation of the required form with a true copy of this Order and the Monitor’s Certificate, the registrars under the *Personal Property Security Act* (Ontario) are hereby authorized and directed to cancel, discharge, delete and expunge all instruments and registrations made, registered or published against or in respect of the CPL Shares, the Company or the Retained Assets (including, without limitation, those instruments and registrations related to the Encumbrances listed on Schedule “B” of the Agreement), except for any Permitted Encumbrances.

20. **THIS COURT ORDERS** that, upon presentation of the required form with a true copy of this Order and the Monitor's Certificate, the Registrar of Trademarks under the *Trademarks Act* (Canada), the Commissioner of Patents under the *Patent Act* (Canada), and any other applicable office responsible for the registration of trademarks, patents, copyrights and industrial designs of the Company, are hereby authorized and directed to cancel, discharge, delete and expunge all security interests (other than the Permitted Encumbrances) recorded at the Canadian Intellectual Property Office, United States Patent and Trademark Office or any other registry responsible for registration in respect of the intellectual property applications and registrations of the Company, including without limitation those security interests listed on **Schedule "C"** hereto.

#### **ADMINISTRATIVE CASE MATTERS**

21. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

- (a) ResidualCo shall be a company to which the CCAA applies;
- (b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "Applicant" or the "Applicants" shall, unless the context otherwise requires, be deemed to refer to and include ResidualCo, *mutatis mutandis*; (ii) "Property", as defined in the ARIO, shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo (the "**ResidualCo Property**"), and (iii) each of the Charges (as such term is defined in the ARIO) shall constitute charges on the ResidualCo Property;

- (c) the Applicants comprising the Company shall cease to be Applicants in these CCAA Proceedings and shall be deemed to be released from the purview of the ARIO and all other Orders of this Court granted in the within CCAA Proceedings and the CCAA Charges granted therein, save and except for this Order, the terms of which as they relate to the Company shall continue to apply in all respects; and
- (d) the Monitor shall be discharged as Monitor of the Applicants comprising the Company and shall solely be the Monitor of the Seller, Glasshouse Pharmaceuticals LLC and ResidualCo (collectively, the “**Remaining Applicants**”).

22. **THIS COURT ORDERS** that, as of the Effective Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
CONTRACT PHARMACEUTICALS LIMITED, GLASSHOUSE  
PHARMACEUTICALS LLC AND 1000834899 ONTARIO INC.

#### **VALIDITY OF THE TRANSACTION**

23. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any application for a bankruptcy order or a receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C 195, c. B-3, as amended (the “**BIA**”), the US Bankruptcy Code, or any other applicable legislation in respect of the Remaining Applicants or any of their respective property and any order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of any of the Remaining Applicants;  
and
- (d) the provisions of any applicable legislation,

the Agreement, the Closing Documents, the consummation of the Transaction, including without limitation the Pre-Closing Reorganization, the transfer and vesting of the Excluded Assets, the Excluded Contracts and the Excluded Liabilities in and to ResidualCo, the release and discharge of the Company and the Retained Assets from all Expunged Claims, and the vesting of the CPL Shares in the Buyer (i) shall be binding on any trustee in bankruptcy, receiver or monitor that may be appointed in respect of any of the Remaining Applicants, or their respective assets and property, (ii) shall not be void or voidable by creditors of the Remaining Applicants, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation or the US Bankruptcy Code, and (iii) shall not constitute nor be deemed to be oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **RELEASES**

24. **THIS COURT ORDERS** that, effective as of the Effective Time: (a) the current and former directors, officers, shareholders, employees, legal counsel and advisors of each of the Applicants (including, for the avoidance of doubt, the Company and ResidualCo); (b) the Monitor and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors; (c) the Buyer and its current and former directors, officers, employees, legal counsel and advisors; and (d) Deerfield and its current and former directors,

officers, employees, legal counsel and advisors (the Persons specified in (a), (b), (c) and (d) being collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, Taxes (as defined in the Agreement) or liabilities in respect of Taxes (including, in each case, interest and penalties), recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in contract, statute, common law or otherwise) arising in connection with or relating, in whole or in part, directly or indirectly to (i) the terms or implementation of the Agreement, the Transaction or this Order, (ii) these CCAA Proceedings, or (iii) any act, omission, transaction, dealing, occurrence, matter, circumstance, fact or thing existing or arising prior to the Effective Time in respect of or relating to any of the Applicants (including, for the avoidance of doubt, the Company and ResidualCo) or their respective assets, liabilities, obligations, business, affairs, administration or management (collectively, the “**Released Claims**”), which Released Claims are hereby and shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other Person or entity and are extinguished; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim (x) against the current or former directors of the Applicants that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (y) with respect to any act or omission that is finally determined by a court of competent jurisdiction to have constituted actual fraud or willful misconduct.

25. **THIS COURT ORDERS** that all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their respective property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; or (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their respective property.

26. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, neither the Applicants nor any of their current or former directors and/or officers shall be released from any claim, whether in law or in equity, known or unknown, existing up to the Effective Time, solely to the extent it is necessary with respect to maintaining any claims as against the insurance policies of the Applicants that may be available to pay insured claims in respect of the Applicants or their current or former directors and officers (the “**Insurance Policies**” and such claims being the “**Potentially Insured Claims**”); provided that, from and after the Effective Time, any Person having a Potentially Insured Claim shall only be entitled to recover from proceeds under the

Insurance Policies, to the extent available, and the recovery of such claimant shall be solely limited to such proceeds, without any additional rights of enforcement or recovery as against the Applicants or the current or former directors or officers of the Applicants.

27. **THIS COURT ORDERS** that nothing contained in this Order prejudices, compromises, releases or otherwise affects any right, defence or obligation of any insurer in respect of the Insurance Policies.

28. **THIS COURT ORDERS** that, effective as of the Effective Time, the Buyer and the Company shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants (provided that, as it relates to the Company, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Company after the Effective Time, or (b) Taxes expressly assumed as Assumed Liabilities pursuant to the Agreement), including, without limiting the generality of the foregoing, all Taxes on behalf of any other Person, and Taxes that could be assessed against the Buyer or the Company (including its affiliates and any predecessor corporations) pursuant to section 160 or 160.01 of the *Income Tax Act* (Canada), including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Applicants.

## **GENERAL**

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



30. **THIS COURT DECLARES** that the Monitor and the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court, tribunal or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and/or the Monitor as may be deemed necessary or appropriate for that purpose.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

32. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date hereof and is enforceable without any need for entry and filing.



**SCHEDULE "A"**  
**SHARE PURCHASE AGREEMENT**

*Attached.*

**SHARE PURCHASE AGREEMENT**

**CONTRACT PHARMACEUTICALS LIMITED**

**as Seller**

**- and -**

**AIP ELIXIR BUYER INC.**

**as Buyer**

**MARCH 30, 2024**

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## SHARE PURCHASE AGREEMENT

**THIS AGREEMENT** is made as of March 30, 2024

AMONG:

**CONTRACT PHARMACEUTICALS LIMITED**, a corporation incorporated under the laws of the State of Delaware (“**Seller**”)

- and -

**AIP ELIXIR BUYER INC.**, a corporation incorporated under the laws of the Province of Alberta (the “**Buyer**”)

### RECITALS:

- A. Seller owns all of the issued and outstanding shares (the “**CPL Shares**”) in the capital of CPL Canada Holdco.
- B. CPL Canada develops, manufactures, packages, and tests pharmaceutical and regulated over-the-counter products, and also provides laboratory services that include materials, product release and stability testing as well as product development services (the “**Business**”).
- C. The Seller and its Affiliates (the “**CCAA Applicants**”) have commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), and obtained an initial order (the “**Initial CCAA Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on December 15, 2023, pursuant to which, *inter alia*, KSV Restructuring Inc. was appointed as the monitor of the CCAA Applicants (in such capacity, the “**Monitor**”), and an amended and restated initial order (the “**ARIO**”) was obtained from the Court on December 22, 2023.
- D. The CCAA Applicants obtained a SISP Approval Order from the Court dated December 22, 2023 (the “**SISP Approval Order**”), approving a refinancing, sale and investment solicitation process (the “**SISP**”) and, *inter alia*, authorizing and directing the CCAA Applicants, SSG Capital Advisors LLC, as Financial Advisor, and the Monitor to implement the SISP pursuant to the terms thereof.
- E. The Buyer participated in the SISP, with one of its Affiliates submitting a non-binding letter of intent by the LOI Deadline (as defined in the SISP), and Buyer submitting a Qualified Bid (as defined in the SISP) by the Qualified Bid Deadline (as defined in the SISP) to purchase the CPL Shares.
- F. The Buyer’s Qualified Bid (on the terms reflected in this Agreement) has been designated by the CCAA Applicants, in consultation with the Monitor and the DIP Lender, as the Successful Bid and the Parties are desirous of consummating the transaction contemplated herein on the terms and conditions set forth herein.

- G. Upon the issuance by the Court of the Approval and Vesting Order, and subject to the satisfaction or waiver of the other closing conditions set forth hereunder, Buyer shall acquire the CPL Shares, on the terms and subject to the conditions contained in this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement (the receipt and sufficiency of good and valuable consideration being acknowledged), the Parties agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement,

- (a) “**Action**” means any claim, counterclaim, application, action, suit, cause of action, order, charge, indictment, prosecution, demand, complaint, grievance, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity and by or before a Governmental Authority;
- (b) “**Administration Charge**” has the meaning given to it in the ARI0;
- (c) “**Administrative Expense Reserve**” means an amount equal to \$750,000 to be paid to the Monitor in accordance with the terms hereof and held in trust by the Monitor for the benefit of Persons entitled to be paid the Administrative Expense Costs;
- (d) “**Administrative Expense Costs**” means (i) the reasonable and documented fees and costs of the Monitor and its professional advisors and the professional advisors of the CCAA Applicants and ResidualCo in each case for services performed prior to and after the Closing Date, in each case, relating directly or indirectly to the CCAA Proceedings, the Chapter 15 Proceedings, the Terminated Employee Fund, this Agreement or the bankruptcy or other wind-down of the remaining CCAA Applicants, including costs required to wind down and/or dissolve and/or bankrupt ResidualCo, Seller and Glasshouse Pharmaceuticals LLC (including the fees and expenses of any wind-down officer that may be engaged to assist in connection with same) and costs and expenses required to administer the Excluded Assets, Excluded Contracts, Excluded Liabilities and ResidualCo, and; (ii) amounts owing in respect of obligations secured by the CCAA Charges that have not been paid prior to the Closing Date or otherwise paid under the Closing Sequence;
- (e) “**Affiliate**” of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“A”) controls



another Person (“**B**”) where A has the power to determine the management and policies of B by contract or status (for example, the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose, provided that in respect of Buyer, Affiliates does not include any Portfolio Companies;

- (f) “**Agreement**” means this Share Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time in accordance with the terms hereof, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions referred to in this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (g) “**Applicable Law**” means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to the Transaction, the Company, the Buyer, the Business or the CPL Shares;
- (h) “**Approval and Vesting Order**” means an approval and reverse vesting order of the Court substantially in the form attached hereto as Schedule I with such changes as the Seller and the Buyer may agree, each acting reasonably;
- (i) “**ARIO**” has the meaning given to such term in Recital C;
- (j) “**Assumed Liabilities**” means (a) Liabilities specifically and expressly designated by the Buyer as assumed Liabilities in Schedule “A” an amended list of which may be delivered by the Buyer to the Seller and the Monitor from time to time no later than two (2) Business Days before the Closing Date (provided that the amendments may only include additional Liabilities and may not remove any Liabilities that were listed as of the date hereof without the Seller’s written consent, not to be unreasonably withheld, conditioned or delayed and the consent of the Monitor); (b) Liabilities which relate to the Business under any Retained Contracts, Permits and Licenses or Permitted Encumbrances solely to the extent arising out of events or circumstances that first occur after the Closing, (c) Liabilities in respect of the Continuing Employees except as set forth in the definition of Excluded Liabilities; (d) Pre-Filing Stayed Unsecured Obligations; and (e) Post-Filing Trade Amounts;
- (k) “**ASPE**” means Accounting Standards for Private Enterprises;
- (l) “**Business**” has the meaning given to such term in Recital A;

- (m) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario and New York, New York are open for commercial banking business during normal banking hours;
- (n) “**Buyer**” has the meaning given to such term in the preamble to this Agreement;
- (o) “**Buyer Consultant**” means a reputable and experienced consultant to be engaged by Buyer, in its sole and absolute discretion and at its sole cost, expense, direction and responsibility, including in respect of all Applicable Law and compliance with the applicable terms of this Agreement, including Sections 6.1 and 10.1;
- (p) “**Buyer Released Parties**” has the meaning given to such term in Section 6.10;
- (q) “**CCAA**” has the meaning given to such term in Recital C;
- (r) “**CCAA Applicants**” has the meaning given to such term in Recital C;
- (s) “**CCAA Charges**” means, collectively, the Administration Charge, DIP Lender’s Charge, Directors’ Charge, Financial Advisor Charge and KERP Charge;
- (t) “**CCAA Proceedings**” has the meaning given to such term in Recital C;
- (u) “**Chapter 15 Proceedings**” has the meaning given to such term in Section 5.1(c);
- (v) “**Claims**” means all debts, obligations, expenses, costs, damages, losses, Actions, Liabilities, Encumbrances (other than Permitted Encumbrances), accounts payable, indebtedness, contracts, leases, agreements, undertakings, claims (including product liability claims), rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise);
- (w) “**Closing**” means the completion of the Transaction at the Closing Time;
- (x) “**Closing Consideration**” has the meaning given to such term in Section 2.2(b);
- (y) “**Closing Date**” means the date that is no later than the earlier of the second Business Day after the last of the conditions set forth in Article 5 have been satisfied and by the Outside Date if the conditions set forth in Article 5 have been satisfied (other than, in each case, those conditions that by their nature are to be satisfied at closing of the Transaction, but subject to satisfaction or waiver of those conditions) or, where not prohibited, waived by the applicable Party or Parties in whose favour the condition is, unless another time or date is agreed to in writing by the Parties, or such other date as the Parties and the Monitor, may agree, acting reasonably;
- (z) “**Closing Documents**” means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing, and including the Terminated Employee Escrow Fund Agreement;

- (aa) “**Closing Sequence**” means the sequence set out in Schedule H, which may be updated from time to time in accordance with Section 9.2 until two (2) Business Days prior to the Closing Date;
- (bb) “**Closing Time**” means 10:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (cc) “**Company**” means, collectively, CPL Canada Holdco, CPL Canada and Glasshouse Canada, or, as the context requires, any one or more of them;
- (dd) “**Company Released Parties**” has the meaning given to such term in Section 6.9;
- (ee) “**Confidential Information**” means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and/or its Affiliates or any customer or supplier of a Party and/or its Affiliates; provided that “Confidential Information” does not include information that:
  - (i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;
  - (ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;
  - (iii) was lawfully in a Party’s possession prior to disclosure thereof by the other Party; or
  - (iv) was independently developed by a Party without use of, or reference to, the other Party’s Confidential Information;
- (ff) “**Contingent Value Rights**” means , collectively, the contingent value right issued by Contract Pharmaceuticals Limited to Deerfield Private Design Fund IV, L.P. dated December 6, 2018 and the contingent value right issued by Contract Pharmaceuticals Limited to Deerfield Private Design Fund III, L.P. dated December 6, 2018;
- (gg) “**Continuing Employees**” mean Employees other than Terminated Employees;
- (hh) “**Contracts**” means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements to which the Company is a party or by which the Company is bound;
- (ii) “**Court**” has the meaning given to such term in Recital C;
- (jj) “**Court Approval**” means the issuance of the Court Orders by the Court;

- (kk) “**Court Orders**” means, collectively, the Approval and Vesting Order and the Terminated Employee Order;
- (ll) “**CPL Canada**” means Contract Pharmaceuticals Limited Canada;
- (mm) “**CPL Canada Holdco**” means CPL Canada Holdco Limited;
- (nn) “**CPL Shares**” has the meaning given to such term in Recital A;
- (oo) “**Credit Facilities**” means collectively, the DIP Facility, Deerfield Facility RBC Facility, EDC Facility and FedDev Facility;
- (pp) “**Cure Costs**” means the amounts, if any, to be paid to cure any monetary defaults of the Company under any Retained Contracts, other than those arising by reason only of the Company’s insolvency, the commencement of the CCAA Proceedings, or the Company’s failure to perform non-monetary obligations;
- (qq) “**Customer Deadline**” means the later of (i) 11:59 p.m. (Toronto time) on April 9, 2024, and (ii) such later date and time as the Seller may agree to in writing in its sole discretion following consultation with the Monitor;
- (rr) “**Deerfield Facility**” means that certain Facility Agreement dated December 6, 2018 among, *inter alia*, Deerfield Private Design Fund IV, L.P., as agent and lender, and Deerfield Private Design Fund III, L.P., as lender, and Glasshouse Canada as borrower, as amended;
- (ss) “**Deerfield Security Agreement**” means, collectively, the Canadian Security Agreement dated December 6, 2018, between, *inter alia*, CPL Canada and Deerfield Private Design Fund IV, L.P., as amended and the United States Guaranty Security Agreement dated December 6, 2018 between, *inter alia* the Seller and Deerfield Private Design Fund IV, L.P., as amended;
- (tt) “**Deposit**” has the meaning given to such term in Section 2.3(a);
- (uu) “**DIP Facility**” means the credit facility provided by DIP Lender to the Company as part of the CCAA Proceedings, as described by the DIP Financing Term Sheet dated December 14, 2023 between CPL Canada and the DIP Lender;
- (vv) “**DIP Lender**” has the meaning given to such term in the ARI0;
- (ww) “**DIP Lender’s Charge**” has the meaning given to it in the ARI0;
- (xx) “**Directors’ Charge**” has the meaning given to it in the ARI0;
- (yy) “**EDC Facility**” means the credit agreement dated March 6, 2018 between, *inter alia*, Export Development Canada, as lender and CPL Canada, as borrower, as amended;

- (zz) “**EDC Intercreditor Agreement**” means the intercreditor agreement dated December 6, 2018 between Royal Bank of Canada, Export Development Canada, Deerfield Private Design Fund IV, L.P., and CPL Canada, as amended;
- (aaa) “**EDC Security Agreement**” means, collectively, the General Security Agreement dated November 19, 2015, between, *inter alia*, CPL Canada and Royal Bank of Canada, as amended;
- (bbb) “**Employee Plans**” means all oral or written plans, arrangements, agreements, programs, policies, practices or undertakings, with the exception of statutory or government sponsored plans, with respect to some or all of the current or former directors, officers, employees, contractors or consultants of the Company or the beneficiaries or dependents of any such Persons to which the Company is a party to or bound by or to which the Company has an obligation to contribute relating to:
- (i) bonus, profit sharing or deferred profit sharing, performance compensation, deferred or incentive compensation, share compensation, share purchase or share option purchase, share appreciation rights, phantom stock, employee loans, or any other compensation or perquisites (including vehicles) in addition to salary;
  - (ii) retirement or retirement savings, including, without limitation, registered or unregistered pension plans, pensions, supplemental pensions, registered retirement savings plans and retirement compensation arrangements; or
  - (iii) insured or self-insured benefits for or relating to income continuation or other benefits during absence from work (including short-term disability, long-term disability and workers compensation), hospitalization, health, welfare, legal costs or expenses, medical or dental treatments or expenses, life insurance, accident, death or survivor’s benefits, vacation or vacation pay, sick pay, supplementary employment insurance, day care, tuition or professional commitments or expenses or similar employment benefits and post-employment benefits,
- but excluding any statutory benefit plans which the Company is required to participate in or comply with, including the Canada Pension Plan and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation;
- (ccc) “**Employees**” means all individuals who, as of Closing Time, are employed by the Company, whether on a full-time or part-time basis, and including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired and “**Employee**” means any one of them;
- (ddd) “**Encumbrance**” means all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs

of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), encumbrances or adverse claims of any nature, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise;

- (eee) **“Encumbrances to Be Discharged”** means all Claims and Encumbrances on the Retained Assets, including the Encumbrances listed in Schedule “B”, an amended list of which may be delivered by the Buyer from time to time no later than two (2) Business Days before the Closing Date (provided that any additional Encumbrances to be Discharged must be consented to by the Seller, such consent not to be unreasonably withheld, conditioned or delayed, and consented to by the Monitor), the CCAA Charges, and any other charge granted by the Court in the CCAA Proceedings, and excluding only the Permitted Encumbrances.
- (fff) **“Equity Commitment Letter”** means the equity commitment letter dated as of the date hereof from the Investors to the Buyer, pursuant to which pursuant to which each of the Investors have committed, subject to the terms and conditions set forth therein, to provide the Buyer with equity financing to consummate the transactions contemplated by this Agreement.
- (ggg) **“Excluded Assets”** means: (i) all rights, covenants, obligations and benefits in favour of ResidualCo under this Agreement that survive Closing; (ii) all amounts owing by the Seller or Glasshouse Pharmaceuticals LLC to the Company (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence); and (iii) those assets listed in Schedule “C”, an amended list of which may be delivered by the Buyer from time to time no later than two (2) Business Days before the Closing Date (provided that the amendments may only include additional Excluded Assets and may not remove any Excluded Assets that were listed as of the date hereof without the Seller’s written consent, not to be unreasonably withheld, conditioned or delayed and the consent of the Monitor);
- (hhh) **“Excluded Contracts”** means all Contracts that are not Retained Contracts, including those Contracts listed in Schedule “D” an amended list of which may be delivered by the Buyer no later than two (2) Business Days before the Closing Date;
- (iii) **“Excluded Liabilities”** means all Claims and Encumbrances (other than Permitted Encumbrances) in respect of or against the Company relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, inter alia, the non-exhaustive list of those certain Liabilities set forth in Schedule “E”, all pre-filing Claims (other than Pre-Filing Stayed Unsecured Claims), all amounts owing by the Company to the Seller and Glasshouse Pharmaceuticals LLC (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence) including any amounts owing in respect of Taxes, any and all Claims relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions (including any change of control obligations or Existing Equity in

respect of Terminated Employees and Continuing Employees) and to which the Company may be bound as at the Closing Time and Liabilities for Employees whose employment with the Company or its Affiliates is terminated on or before Closing, Liabilities for Terminated Employees and all Liabilities to or in respect of the Company's Affiliates (to the extent such amounts are not settled under a Pre-Closing Reorganization or Closing Sequence). Without limiting the foregoing, Excluded Liabilities includes all Liabilities that are not Assumed Liabilities but excludes all Assumed Liabilities;

- (jjj) “**Existing Equity**” means any capital share, capital stock, partnership, membership, joint venture, warrant, option or other ownership or equity interest, participation or securities (whether convertible, non-convertible, voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of the Company (including, for the avoidance of doubt, the Contingent Value Rights and the Warrants);
- (kkk) “**FDA**” means the U.S. Food and Drug Administration;
- (lll) “**FedDev Facility**” means the contribution agreement dated March 16, 2015, between His Majesty the King in Right of Ontario, as represented by the Minister of Infrastructure for Federal Economic Development Agency for Southern Ontario, CPL Canada and CPL Canada Holdco, as amended;
- (mmm) “**Final**” with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and the Seller) or vacated (or, if leave to appeal, reconsideration, or appeal has been sought, it has been dismissed, and any stay has been vacated) and all specified time periods within which leave to appeal or reconsideration could at law be sought shall have expired;
- (nnn) “**Financial Advisor’s Charge**” has the meaning given to it in the ARIQ;
- (ooo) “**Former Employees**” means those employees identified in writing by the Buyer to Seller prior to the Closing as Former Employees that ceased to be Employees prior to December 15, 2023;
- (ppp) “**Glasshouse Canada**” means Glasshouse Pharmaceuticals Limited Canada;
- (qqq) “**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation-making entity:
  - (i) having jurisdiction over the Seller, the Buyer, the Company, the Business or the Assumed Liabilities on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or

- (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;
- (rrr) “**Governmental Authorizations**” means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Company relating to the Company or the Business by or from any Governmental Authority;
- (sss) “**GST/HST**” means all goods and services tax and harmonized sales tax imposed under the ETA (including, for greater certainty, any provincial component of such harmonized sales tax), and any other similar statute enacted by the provinces or territories of Canada;
- (ttt) “**Identified Customers**” means three customers of the Company that Buyer has identified in writing to the Company on the date hereof;
- (uuu) “**including**” and “**includes**” shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (vvv) “**Initial CCAA Order**” has the meaning given to such term in Recital C;
- (www) “**Interim Period**” means the period from the date of this Agreement until the Closing Time;
- (xxx) “**Inventories**” means items that are held by the Company for sale, license, rental, lease, or are being produced for sale, or are to be consumed, directly or indirectly, in the production of goods or services to be available for sale, of every kind and nature and wheresoever situate including inventories of raw materials, work-in-progress, finished goods and by-products, operating supplies and packaging materials;
- (yyy) “**Investors**” means Aterian Investment Partners IV, LP and Aterian Investment Partners IV-A, LP.
- (zzz) “**KERP Charge**” has the meaning given to it in the ARIO;
- (aaaa) “**Key Licences**” means the following Permits and Licenses issued in the name of CPL Canada: (i) drug establishment licence #100022-A for 7600 Danbro Crescent, Mississauga, Ontario; (ii) drug establishment licence #100022-D for 2145 Meadowpine Blvd, Mississauga, Ontario; (iii) controlled drugs and substances licence #6-0728 for 7600 Danbro Crescent, Mississauga, Ontario; (iv) controlled drugs and substances licence #6-0730 for 2145 Meadowpine Blvd, Mississauga, Ontario; and (v) licence # L-R2-03505-21-CS-00 issued pursuant to the *Human Pathogens and Toxins Act*.
- (bbbb) “**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or



unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person;

(cccc) **“Material Adverse Change”** or **“Material Adverse Effect”** means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the Retained Assets, Assumed Liabilities, condition (financial or otherwise), operations or results of operations of the Company or the Business, taken as a whole; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from (in whole or in part): (A) any action expressly required, permitted or contemplated by this Agreement (including pursuant to Sections 6.4, 6.5 or 9.2) or relating to the CCAA Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to ASPE or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts of terrorism, or acts of God; (H) any action consented to by the Buyer in writing; (I) any change in the forecasts or projections of the Company or the Business, or any failure by the Seller to meet any projections or estimates (including internal projections or estimates and the cash flow forecasts filed in the CCAA Proceedings or the DIP Budget) of revenues, earnings, working capital or performance for any period (it being understood that the causes underlying any such change or failure, if not otherwise excluded pursuant to this definition, may be considered to determine whether same constitutes a Material Adverse Change or Material Adverse Effect); (J) any action, change, development, effect, event, circumstance, fact or occurrence that (1) is attributable to, consented to or otherwise caused by the Buyer or (2) arises from the negotiation, announcement or pendency of this Agreement or the Transactions or the identity, nature or ownership of the Buyer; and (K) the CCAA Proceedings or any order of the Court made in the CCAA Proceedings provided, however, that any change or effect referred to in clause (B), (C), (D), (E), (F) or (G) above does not primarily relate only to (or have the effect of primarily relating only to) the Company and the Business, or disproportionately affects the Company and the Business compared to other entities of similar size and nature operating in a similar industry in the same jurisdictions in which the Company operates, in which case the relevant exclusion from this definition of Material Adverse Change or Material Adverse Effect referred to above shall not be applicable;

(dddd) **“Material Health Regulatory Incident”** means: (i) the Company ceases to have the minimum designated regulatory personnel necessary to carry on the

Business in accordance with the terms of one or more of the Key Licences which has not been rectified to the satisfaction of Health Canada or the Buyer prior to Closing; (ii) a product manufactured, fabricated, packaged and/or labelled at the Company's facilities and/or distributed by the Company is subject to a Class I or Class II recall that has a Material Adverse Effect on the Business; or (iii) the Company has been subject to a physical inspection or received a written inspection report (including any report of inspectional observations, FDA Form 483s, inspection exit notices or establishment inspection reports) from the FDA, Health Canada or the Public Health Agency of Canada (A) in which the FDA has classified the inspection as "official action indicated" or Health Canada or the Public Health Agency of Canada has found a non-compliance rating in respect of the Key Licences or asserted or alleged in writing that the operations of the Company are not in material compliance with Applicable Law (for greater certainty, excluding any observations or correction actions noted in the context of an otherwise compliance rating or compliance with Applicable Law confirmation) and (B) which has not been rectified to the satisfaction of the applicable Governmental Authority or the Buyer prior to Closing. For the avoidance of doubt, any rectification that is satisfactory to Health Canada or any other applicable Governmental Authority shall be deemed to be satisfactory to Buyer hereunder;

- (eeee) "**Monitor**" has the meaning given to such term in Recital B;
- (ffff) "**Monitor's Certificate**" means the certificate, substantially in the form to be attached as Schedule "A" to the Approval and Vesting Order, to be delivered to the Buyer and filed with the Court by the Monitor;
- (gggg) "**Non-Recourse Persons**" has the meaning set forth in Section 10.4;
- (hhhh) "**ordinary course of the Business**" means ordinary course of the Business having regard to the Company's current financial condition and the CCAA Proceedings;
- (iiii) "**Outside Date**" means May 29, 2024 or such later date as provided for in Section 6.5(d);
- (jjjj) "**Parties**" means the Seller and the Buyer collectively, and "**Party**" means either of the Seller or the Buyer;
- (kkkk) "**Permitted Encumbrances**" means only the Encumbrances related to the Retained Assets listed in Schedule "F";
- (llll) "**Permits and Licenses**" means the permits, licenses, Governmental Authorizations, approvals or other evidence of authority related to the Business issued to, granted to, conferred upon, or otherwise created for the Company;
- (mmmm) "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee,

executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

- (nnnn) **“Portfolio Companies”** persons in which Aterian Investment Partners or its Affiliates invest or have an economic interest or other business relationships (other than the Buyer);
- (oooo) **“Post-Filing Trade Amounts”** means any accrued and unpaid amounts related to or in connection with the Business owing by the Company, or due in the future, to third parties relating to the period from and including December 15, 2023, that are unpaid as of the Closing (but excluding, for the avoidance of doubt, the professional fees, costs and expenses owing by the Company that will be satisfied at or prior to the Closing or that will be fully satisfied from the Administrative Expense Reserve);
- (pppp) **“Pre-Closing Reorganization”** has the meaning set forth in Section 6.5(b);
- (qqqq) **“Pre-Filing Stayed Unsecured Obligations”** means the Claims, including Cure Costs, identified in writing by the Buyer to the Seller and the Company on the date hereof, in such amounts as may be agreed to between the Buyer and the third party to which such Pre-Filing Stayed Unsecured Obligations are payable (and for the avoidance of doubt, in the absence of such agreement, such Claims may, at Buyer’s discretion and by providing notice in writing to Seller and the Monitor no later than two (2) Business Days prior to the Closing Date, be excluded from being Pre-Filing Stayed Unsecured Obligations, provided that (i) the aggregate maximum amount of such Claims that may be excluded from the Pre-Filing Stayed Unsecured Obligations shall not exceed the amount identified in writing by the Buyer to the Seller and the Monitor on the date hereof concurrently with the execution of this Agreement, and (ii) no Cure Costs may be excluded), subject to a maximum aggregate amount for all such Claims, including Cure Costs, of \$10,829,236 (provided that such aggregate amount shall be adjusted from time to time based on the CAD/USD exchange rate posted on the Bank of Canada website from time to time to account for exchange rate fluctuations based on the underlying currency of the relevant Pre-Filing Stayed Unsecured Obligations);
- (rrrr) **“Pre-petition Severance Amounts”** means Claims by the Former Employees;
- (ssss) **“R&W Policy”** means a purchaser-side representation and warranty insurance policy, if bound at Closing in the name of and for the benefit of the Buyer and at the sole cost, expense and responsibility of Buyer;
- (tttt) **“RBC Intercreditor Agreement”** means the intercreditor agreement dated December 6, 2018 between, *inter alia*, Royal Bank of Canada, Deerfield Private Design Fund IV, L.P., and CPL Canada, as amended;
- (uuuu) **“RBC Facility”** means the credit agreement dated November 22, 2017 between, *inter alia*, Royal Bank of Canada, as lender and CPL Canada Holdco, as borrower, as amended;

- (vvvv) “**RBC Security Agreement**” means, collectively, the General Security Agreement dated November 19, 2015, between, *inter alia*, CPL Canada and Royal Bank of Canada, as amended and the Investment Property Pledge Agreement dated December 6, 2018 between, *inter alia*, CPL Canada Holdco and Royal Bank of Canada, as amended;
- (www) “**Released Claims**” means all Claims, including loss of value, professional fees, and including any “claim” as defined in the CCAA and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (xxxx) “**ResidualCo**” means 1000834899 Ontario Inc., a corporation incorporated by the Company in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares;
- (yyyy) “**Retained Assets**” has the meaning set forth in Section 2.5(b);
- (zzzz) “**Retained Contracts**” means (i) all employment Contracts with Continuing Employees, and (ii) those Contracts listed on Schedule “G”, an amended list of which may be delivered to the Buyer from time to time no later than two (2) Business Days before the Closing Date;
- (aaaa) “**Seller**” has the meaning given to such terms in the preamble to this Agreement;
- (bbbb) “**Share Purchase Price**” has the meaning set forth in Section 2.2(a);
- (cccc) “**SISP**” has the meaning given to such term in Recital D;
- (dddd) “**SISP Approval Order**” has the meaning given to such term in Recital D;
- (eeee) “**Successful Bid**” has the meaning given to such term in the SISP;
- (ffff) “**Tax**” and “**Taxes**” means all taxes, surtaxes, duties, levies, imposts, fees, assessments, reassessments, withholdings, dues and other charges of any nature, imposed or collected by any Governmental Authority, whether disputed or not, including federal, provincial, territorial, state, municipal and local, foreign and other income, franchise, capital, real property, personal property, withholding, payroll, health, transfer, value added, alternative, or add on minimum tax including GST/HST, sales, use, consumption, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, education, business, school, local improvement, development and occupation taxes, duties, levies, imposts, fees, assessments and withholdings and Canada Pension Plan contributions, employment insurance premiums and all other taxes and similar governmental charges, levies or assessments of any kind whatsoever imposed by any Governmental Authority including any installment payments, interest, penalties, fines or other additions associated therewith, whether or not disputed;

- (ggggg) “**Taxing Authority**” means any Governmental Authority, domestic or foreign, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax;
- (hhhhh) “**Terminated Employee Escrow Fund Agreement**” means the escrow agreement to be established on the Closing Date between the Monitor and the Buyer or an Affiliate thereof for purposes of holding and disbursing the Terminated Employee Fund to the Terminated Employees, in form and substance reasonably satisfactory to the Buyer, the Seller and the Monitor;
- (iiii) “**Terminated Employee Fund**” means a fund in the aggregate amount of \$500,000 or such greater amount as Buyer may determine, in its sole and absolute discretion, to be held by the Monitor and funded by the Buyer effective as of the Closing Date by entering into the Terminated Employee Escrow Fund Agreement, the terms and conditions of which are summarized in Schedule “J”, which, for the avoidance of doubt, will apply to all Terminated Employees regardless of number.
- (jjjj) “**Terminated Employee Fund Order**” means a terminated employee fund order of the Court substantially in the form attached hereto as Schedule “K” with such changes as the Seller and the Buyer may agree, each acting reasonably;
- (kkkkk) “**Terminated Employees**” means those certain Employees set out in correspondence between Goodmans LLP and Osler, Hoskin & Harcourt LLP on the date hereof, together with such other Employees as Buyer may add as Terminated Employees by providing written notice to the Seller and the Monitor no later than two (2) Business Days before the Closing Date, provided that there will be at least 250 Continuing Employees at Closing (and for purposes of counting such 250 Continuing Employees, Employees that voluntarily resign or retire prior to Closing will be considered Continuing Employees);
- (llll) “**Transaction**” means, collectively, the Pre-Closing Reorganization, the sale and purchase of the CPL Shares pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the CPL Shares; and
- (mmmm) “**Warrants**” means, collectively, the warrant to purchase common stock granted to Deerfield Private Design Fund IV, L.P. and issued by Contract Pharmaceuticals Limited dated December 6, 2018; and the warrant to purchase common stock granted to Deerfield Private Design Fund III, L.P. and issued by Contract Pharmaceuticals Limited dated December 6, 2018.

## 1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

<u>Schedule</u>	<u>Description</u>
Schedule A	Assumed Liabilities

Schedule B	Encumbrances to be Discharged
Schedule C	Excluded Assets
Schedule D	Excluded Contracts
Schedule E	Excluded Liabilities
Schedule F	Permitted Encumbrances
Schedule G	Retained Contracts
Schedule H	Closing Sequence
Schedule I	Approval and Vesting Order
Schedule J	Terminated Employee Fund Terms
Schedule K	Terminated Employee Fund Order

### **1.3 Statutes**

Unless specified otherwise, reference in this Agreement to a statute or regulations refers to that statute or those regulations, as the case may be, as may be amended, or to any restated or successor legislation of comparable effect.

### **1.4 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

### **1.5 Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

### **1.6 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

### **1.7 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

### **1.8 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the

Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as otherwise specifically set forth in this Agreement and any document required to be delivered pursuant to or in respect of this Agreement.

## **1.9 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

## **1.10 Governing Law; Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein (including, as applicable, the CCAA), without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the CCAA Proceedings and thereafter to the Courts of the Province of Ontario for the resolution of any disputes arising under or in connection with this Agreement. Each Party agrees that service of process on such Party as provided in Section 10.6 shall be deemed effective service of process on such Party.

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Purchase and Sale of CPL Shares.**

Subject to the terms and conditions of this Agreement, effective as and from the Closing Time, Seller shall sell, assign and transfer the CPL Shares to Buyer, and Buyer shall purchase the CPL Shares from Seller, free and clear of all Encumbrances (other than Permitted Encumbrances), with the result that Buyer shall become the sole shareholder of CPL Canada Holdco at the Closing Time.

### **2.2 Share Purchase Price and Closing Consideration.**

- (a) The aggregate purchase price (the “**Share Purchase Price**”) payable by the Buyer to the Seller for the CPL Shares shall be \$1.00.

- (b) On the Closing Date, the Buyer shall pay to the Monitor an amount equal to the sum of the amounts set forth in the sixth step of the Closing Sequence as of the Closing as a loan by the Buyer to CPL Canada Holdco, which amounts have been estimated by the Seller to be approximately \$57,516,345 (estimated as at April 30, 2024) (the “**Closing Consideration**”). For greater certainty, Seller’s estimated amount in the preceding sentence is solely an estimate and not a maximum and the Closing Consideration shall be the aggregate amount of all Claims (including all costs and expenses, including any and all fees and such other amounts payable to financial and legal advisors) owing under the DIP Facility, the RBC Facility, the EDC Facility and the Deerfield Facility payable in the currency stipulated by each such Credit Facility.
- (c) In addition to the Closing Consideration, on the Closing Date, the Buyer shall (i) pay to the Monitor the Administrative Expense Reserve as a loan by the Buyer to CPL Canada Holdco, and (ii) subject to the Company obtaining the Terminated Employee Fund Order, pay an amount equal to the Terminated Employee Fund to the Monitor to establish, or cause to be established, the Terminated Employee Fund in accordance with Section 6.12.

### **2.3 Satisfaction of the Share Purchase Price and the Closing Consideration**

- (a) The Buyer has paid to the Monitor \$7,598,723.09 (the “**Deposit**”) as a deposit towards the Share Purchase Price and the Closing Consideration, to be held by the Monitor in an interest bearing account, to be applied against the Closing Consideration or returned or forfeited, as the case may be, in accordance with the terms and conditions of this Agreement.
- (b) The Buyer shall satisfy the Share Purchase Price and Closing Consideration at the Closing Time by:
  - (i) the Deposit plus all interest earned thereon, if any, being irrevocably released to the benefit of the Seller to the extent of \$1.00 and applied against the Share Purchase Price;
  - (ii) the remainder of the Deposit and all interest thereon being irrevocably released to the Monitor and applied against the Closing Consideration; and
  - (iii) payment to the Monitor of the balance of the Closing Consideration.

### **2.4 Payment of the Administrative Expense Reserve and Terminated Employee Fund**

- (a) The Buyer shall satisfy its payment obligations pursuant to Section 2.2(c) at the Closing Time by:
  - (i) payment to the Monitor of the Administrative Expense Reserve; and



- (ii) subject to the Company obtaining the Terminated Employee Fund Order, establishing, or causing to be established, the Terminated Employee Fund and funding the amount of the Terminated Employee Fund to the Monitor.

## **2.5 Transfer of Excluded Assets and Excluded Liabilities to ResidualCo.**

- (a) On the Closing Date and in accordance with the Closing Sequence and pursuant to the Approval and Vesting Order, the Excluded Assets, the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by ResidualCo, and the same shall be vested in ResidualCo pursuant to the Approval and Vesting Order.
- (b) On the Closing Date, the Company shall retain, free and clear of any and all Encumbrances other than Permitted Encumbrances, all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including the Retained Contracts, Permits and Licenses and books and records of the Company (the "**Retained Assets**"), except, however, any products or inventory sold in the ordinary course of business during the Interim Period. For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to ResidualCo in accordance with the Closing Sequence on the Closing Date and same shall be vested in ResidualCo.

## **2.6 As is, Where is**

THE BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE REPRESENTATIONS AND WARRANTIES OF THE SELLER IN Article 3 (ALL OF WHICH SHALL MERGE UPON THE CLOSING), THE BUSINESS AND THE CPL SHARES ARE PURCHASED AND THE RETAINED ASSETS AND THE ASSUMED LIABILITIES ARE RETAINED ON AN "AS IS, WHERE IS" BASIS AS THEY SHALL EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE BUSINESS, THE CPL SHARES, THE RETAINED ASSETS AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO THE SELLER OR THE MONITOR OR ANY OF THEIR RESPECTIVE AFFILIATES, DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS. THE BUYER AGREES TO ACCEPT THE BUSINESS, THE CPL SHARES, THE RETAINED ASSETS AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THE BUYER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. Unless specifically stated in this Agreement, the Buyer acknowledges and agrees that no representation, warranty, term or condition, understanding or collateral agreement, whether statutory, express or implied, oral or written, legal, equitable, conventional, collateral or otherwise, is being given by either of the Seller in this Agreement or in any instrument furnished in connection with this

Agreement, as to description, fitness for purpose, sufficiency to carry on any business, merchantability, quantity, condition, quality, value, suitability, durability, environmental condition, assignability or marketability thereof, or in respect of any other matter or thing whatsoever, and all of the same are expressly excluded. The provisions of this Section 2.6 shall survive and not merge on Closing. Without limiting the generality of the foregoing, no representations or warranties have been given by any Party with respect to any Liabilities the Company or any Party has or may have with respect to Taxes, including in connection with entering into this Agreement, the issuance of the Approval and Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liabilities for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of any and all such Liabilities, if any, and the Buyer expressly confirms and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company in order to make an independent analysis of same.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Buyer and acknowledge that the Buyer is relying upon the following representations and warranties in connection with the Transaction:

#### **3.1 Existence**

The Seller is duly organized and validly existing under the laws of its jurisdiction of organization.

#### **3.2 Due Authorization and Enforceability of Obligations**

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and, subject to Court Approval being obtained, constitute valid and binding obligations of the Seller enforceable against it in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

#### **3.3 Title to CPL Shares and Retained Assets**

Seller is, and immediately prior to the Closing Time will be, the sole registered and beneficial owner of the CPL Shares, with good and valid title thereto, and, subject to Court Approval being obtained and pursuant to the Approval and Vesting Order, Seller will transfer good and valid title to the CPL Shares to Buyer free and clear of all Encumbrances (other than Permitted Encumbrances). Subject to Court Approval being obtained, immediately prior to the Closing Time, there will be no issued and outstanding common shares or other securities of CPL Canada Holdco other than the CPL Shares nor are there

any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of CPL Canada Holdco. Subject to Court Approval being obtained, except for Buyer's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from Seller or CPL Canada Holdco of any of the CPL Shares, or any other equity interest in any Company, or the Retained Assets. All of the issued and outstanding shares of CPL Canada and Glasshouse Canada are owned by CPL Canada Holdco.

### **3.4 Absence of Conflicts**

Except for the approvals set out in Section 3.5, Seller is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or Governmental Authorizations that would be violated, breached by, or under which any default would occur or with notice or the passage of time would be created as a result of the execution and delivery of, or the performance of obligations under this Agreement or any Closing Documents to be entered into or delivered under the terms and conditions of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or Governmental Authorizations that (i) would not have a Material Adverse Effect on the conduct of the Business or on the ability of the Seller to consummate the Transaction, or (ii) will be addressed by the Approval and Vesting Order or other order of the Court made in the CCAA Proceedings. The Seller does not own any assets that are related to or required for the Business other than the shares of CPL Canada Holdco and Glasshouse Pharmaceuticals LLC does not have any material assets that are related to or required for the Business.

### **3.5 Approvals and Consents**

Except for Court Approval, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by a Seller hereunder or otherwise in connection with the Transaction.

### **3.6 Permits and Licenses**

The Company is not in default or breach of any Permits and License that would reasonably be expected to result in a Material Adverse Effect.

### **3.7 Employee Matters**

Copies of all material Contracts or forms of Contracts for Employees and Employee Plans have been provided in the data room of the Company for the Transaction, including Contracts for any Employees with a salary in excess of \$200,000 per annum, who have a change of control provision in their Contract or who have any severance entitlements that could reasonably be expected to exceed reasonable common law severance amounts. The virtual data room of the Company for the Transaction or other diligence information provided to the Buyer disclosed any material proceedings, actions, suit or claim pending

or threatened involving any Employee of the Company (other than Former Employees) and disclosed any strikes, labour disputes, work slow-downs or stoppages, material grievances or controversies, or other similar material labour relations difficulties affecting the Company.

### **3.8 Customer Contracts**

True and complete copies of all Contracts with the Company's customers that provided for payments to the Company in an aggregate amount of \$1,000,000 or more during the twelve (12) months ending October 31, 2023 and all Contracts (other than any individual task orders, purchase orders, delivery orders or shipping orders) with the Company's vendors that provided for payments by the Company in an aggregate amount of \$100,000 or more during the twelve (12) months ending October 31, 2023 have been provided in the virtual data room of the Company for the Transaction, including Contracts with the Company's top ten customers by revenue, top ten vendors by spend and any Contracts with customers that have exclusivity provisions, most favoured nations provisions, non-compete provisions, rights of first offer or refusal or other similar provisions, in each case that remain in effect after Closing, provided that if any Contracts are not included in the virtual data room of the Company for the Transaction on the date hereof, such Contracts will be provided to the Buyer within five (5) Business Days of the date hereof.

### **3.9 Brokers**

Except for amounts that will be satisfied by the Seller or for amounts payable to SSG Capital Advisors LLC and Raymond James Ltd. which have been disclosed to the Buyer on or before the date hereof, no broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon any arrangement made by or on behalf of the Seller.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with the Transaction:

### **4.1 Existence**

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

### **4.2 Due Authorization and Enforceability of Obligations**

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement has been duly authorized by all necessary action of the Buyer. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Buyer and constitute valid and binding obligations of the Buyer enforceable against it in accordance with their terms, except as such enforceability may be

limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

#### **4.3 Absence of Conflicts**

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constituting documents or Applicable Laws or Governmental Authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms and conditions of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any Governmental Authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the Transaction.

#### **4.4 Approvals and Consents**

No authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Buyer and each of the Closing Documents to be executed and delivered by the Buyer hereunder or otherwise in connection with the Transaction.

#### **4.5 Investment Canada Act**

At the Closing Time, the Buyer will (a) be either a “Canadian” or “WTO investor” within the meaning of the *Investment Canada Act*; and (b) not be a “state-owned enterprise” within the meaning of the *Investment Canada Act*.

#### **4.6 Brokers**

No broker, finder or investment banker is entitled to any brokerage commission, finder’s fee or other similar payment from the Seller in connection with the Transaction based upon any arrangement made by or on behalf of the Buyer.

#### **4.7 Financing**

The Buyer has, or will have at the Closing, sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Closing Consideration, the Administrative Expense Reserve and the Terminated Employee Fund and consummate the Transaction. The Buyer has delivered to the Seller a true and complete copy of the Equity Commitment Letter. As of the date hereof, the Equity Commitment Letter has not been amended or modified, no such amendment or modification is pending or contemplated, and the equity commitment pursuant thereto has not been withdrawn,

terminated or rescinded. The Equity Commitment Letter delivered to the Seller has been duly executed and delivered by the Buyer and each of the Investors, is valid, in full force and effect and in good standing, and is enforceable against the Buyer and each of the Investors in accordance with its terms.

#### **4.8 Informed and Sophisticated Buyer**

The Buyer is an informed and sophisticated buyer, and has engaged expert advisors and is experienced in the evaluation and purchase of distressed enterprises such as the Business as contemplated hereunder. The Buyer has undertaken such investigations and has been provided with and has evaluated such documents and information as it has received to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement.

### **ARTICLE 5 CONDITIONS**

#### **5.1 Conditions for the Benefit of the Buyer**

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the Buyer shall be satisfied in its sole and absolute discretion with the outcome of the discussions coordinated by the Company that the Buyer shall have with the Identified Customers following the date hereof; provided that this condition shall be deemed irrevocably satisfied if Buyer does not exercise its termination right pursuant to Section 8.1(g) by the Customer Deadline;
- (b) the Court Orders shall have been issued and entered by the Court, and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the Court;
- (c) an order has been obtained in respect of proceedings to recognize the CCAA Proceedings and enforce the Approval and Vesting Order in the United States pursuant to Chapter 15 of Title 15 of the United States Code (the “**Chapter 15 Proceedings**”), which shall be satisfactory to the Buyer, acting reasonably and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the applicable court;
- (d) since the date hereof there shall not have occurred any Material Adverse Change;
- (e) the Key Licences shall remain in good standing, unamended (except for any amendment(s) (i) pursuant to compliance with the Company Support Obligations in Section 6.4 or the Pre-Closing Reorganization in Section 6.5, (ii) that Buyer has consented to, or (iii) that would not have a negative impact on the Business or the

Assumed Liabilities), and since the date hereof there shall not have occurred any Material Health Regulatory Incident;

- (f) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction shall be in effect;
- (g) except as such representations and warranties may be affected by the Approval and Vesting Order, compliance with the Company Support Obligations in Section 6.4, or the Pre-Closing Reorganization in Section 6.5, the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any breach of a representation or warranty would not, individually or in the aggregate, cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored) (other than the representations and warranties in Sections 3.1, 3.2, 3.3 and 3.9 which shall be true and correct in all respects as of the date hereof and the Closing Time);
- (h) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (i) the Buyer shall have received a certificate confirming the satisfaction of the conditions contained in Sections 5.1(g) and 5.1(h), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer; and
- (j) the Buyer shall have received all other Closing Documents required pursuant to this Agreement to be delivered by the Seller on Closing in form and substance reasonably satisfactory to the Buyer.

## **5.2 Conditions for the Benefit of the Seller**

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the Court Orders shall have been issued and entered by the Court, and shall not have been stayed, varied (except with the consent of the Buyer and the Seller) or vacated and shall be a Final order of the Court;
- (b) no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the Transaction shall be in effect;
- (c) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at

and as of such time, except where any breach of a representation or warranty would not, individually or in the aggregate, cause a material adverse effect on the Buyer's ability to consummate the Transaction (other than the representations and warranties in Sections 4.1, 4.2, 4.3, 4.5 and 4.6 which shall be true and correct in all respects as of the date hereof and the Closing Time);

- (d) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (e) the Monitor, on behalf of the Seller, shall have received the entirety of the Closing Consideration and the Administrative Expense Reserve;
- (f) the Seller shall have received a certificate confirming the satisfaction of the conditions contained in Sections 5.2(c) and 5.2(d) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other Persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller;
- (g) Buyer shall have paid an amount equal to the Terminated Employee Fund to the Monitor and the Terminated Employee Escrow Fund Agreement shall have been entered into by Monitor and the Buyer; and
- (h) the Seller shall have received all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller.

## **ARTICLE 6 ADDITIONAL AGREEMENTS OF THE PARTIES**

### **6.1 Access to Information**

- (a) Until the Closing Time, the Seller shall give to the Buyer's personnel engaged in the Transaction, including the Buyer Consultant, and their accountants, legal advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Company, the Business and the Assumed Liabilities and to members of the Seller's senior management, shall furnish them with all such information relating to the Company, the Business, and the Assumed Liabilities as the Buyer may reasonably request in connection with the Transaction, including copies of all Contracts, and shall coordinate reasonable access by the Buyer and Buyer Consultant to the customers and suppliers of the Business (provided that a representative of the Seller and the Monitor shall be entitled to participate in any discussions or other communications with customers or suppliers). Notwithstanding anything in this Section 6.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Company from



the files of such Governmental Authorities. Notwithstanding the foregoing, the Seller shall not be required to disclose any information, records, files or other data to the Buyer where prohibited by any Applicable Laws or such disclosure would have the effect of causing the waiver of any applicable privilege, unless the Parties have entered into a common interest privilege agreement in respect of the such information, records, files or other data and the Seller shall have consented to providing such privileged information, records, files or other data to the Buyer.

- (b) The Seller may retain copies of all books and records included in the Retained Assets to the extent necessary or useful for the administration of the CCAA Proceedings (or any subsequent bankruptcy or wind-down of the remaining CCAA Applicants, including ResidualCo) or the filing of any Tax return, any Tax audit or compliance with any Applicable Law or the terms and conditions of this Agreement.
- (c) Upon reasonable prior notice to the Buyer, the Seller, the Monitor and any trustee or wind-down officer appointed in respect of the remaining CCAA Applicants shall have access to, and the right to copy, at their own expense, for purposes of the CCAA Proceedings (or any subsequent bankruptcy or wind-down of any of the remaining CCAA Applicants) or the filing of any Tax return, any Tax audit or compliance with any Applicable Law or the terms and conditions of this Agreement, during usual business hours, all books and records included in the Retained Assets. From time to time following the Closing at the request of the Monitor, the Buyer shall make available knowledgeable employees of the Company to co-operate with the Monitor and respond to information requests in respect of the remaining CCAA Applicants, provided that such requests will be limited to reasonable requests for information or assistance by the Monitor that will not reasonably be expected to materially interfere with the day-to-day duties or activities of such employee for the Company and shall be at the remaining CCAA Applicants' sole expense.

## 6.2 Conduct of Business Until Closing Time

Except: (1) as expressly required or contemplated by this Agreement (including Sections 6.4, 6.5 and 9.2 herein) or by an order of the Court in the CCAA Proceedings; or (2) with the prior written consent of the Buyer (not to be unreasonably withheld, conditioned or delayed other than in respect of paragraphs (b), (c), (d), (e), (g), (l), (n), (p), (r)), during the Interim Period the Seller shall, and shall cause each Company to:

- (a) operate the Business in the ordinary course in all material respects and use commercially reasonable efforts to: (i) preserve the Business and customer, vendors and employee relationships; (ii) pay the Post Filing Trade Amounts as they become due; (iii) maintain Inventory sufficient for addressing customer demand; (iv) comply with the disbursement budget under the DIP Facility as of the date hereof (subject to the Permitted Variance, as such term is defined in the DIP Facility), a true and complete copy of which as been provided to the Buyer as of the date hereof (the "**DIP Budget**");

- (b) not declare, set aside or pay any cash or non-cash dividend or make any other cash or non-cash payment or distribution in respect of its outstanding securities;
- (c) not amend any terms of the articles of incorporation or constating documents of the Company;
- (d) not draw any amounts on the Credit Facilities or otherwise incur indebtedness thereunder other than (A) draws under the DIP Facility, (B) interest that accrues on amounts outstanding under the Credit Facilities and (C) fees and documented third-party expenses of the lenders pursuant to the terms of the Credit Facilities as contemplated in the DIP Budget;
- (e) not to pay any amounts owing under the Credit Facilities or any Pre-Filing Stayed Unsecured Obligations except as permitted by paragraph 8(c) of the ARIO in respect of payments to suppliers;
- (f) not (i) make, revoke or change any method of Tax accounting or material Tax election, (ii) file any amended Tax return with respect to material amounts of Taxes, (iii) enter into any closing agreement with respect to Taxes or settle or compromise any Tax claim or assessment, (iv) consent to any extension or waiver of the limitation period with respect to Taxes, or (v) initiate any voluntary Tax disclosure or request any Tax ruling, in each case, relating to, or otherwise affecting, the Company;
- (g) not enter into a Contract with an Affiliate other than on arm's length terms;
- (h) not waive, release, assign, pay, discharge, settle, satisfy or compromise any Action (including any pending or threatened Action) that would result in an Assumed Liability or any material restriction, or other material obligation, on the conduct of the Business, or commence any such Action;
- (i) not make any material changes in financial accounting methods, principles or practices materially affecting the consolidated assets, Liabilities or results of operations, except insofar as may be required by ASPE or applicable Law;
- (j) not accelerate the collection of any accounts receivable in relation to their applicable due dates, or otherwise fail to manage working capital in the ordinary course and consistent with the DIP Budget, in each case, in any material respect;
- (k) not transfer, lease, license, sell, abandon or create any Encumbrance on or otherwise dispose of any of the Company's assets, except sales of Inventory in the ordinary course of the Business;
- (l) not amend any of the Credit Facilities or the DIP Facility, except, in the case of extensions of the maturity date and amendments to the milestones in the DIP Facility as may be necessary to accommodate the Transaction; provided that any fees, third party expenses or other costs incurred by the Company as a result of such extensions or amendments will not exceed any corresponding amounts or limits set

forth in the DIP Budget and no such extensions or amendments will increase the fees payable to the DIP Lender;

- (m) not grant any increase in the rate of wages, salaries, benefits, bonuses or other remuneration of any Employee (other than in the ordinary course of Business consistent with past practice);
- (n) not take any action with respect to the amendment or grant of any “change of control”, severance, termination pay, pay in lieu of notice of termination or retention policies or arrangements for any directors, officers, employees or contractors;
- (o) not hire or retain the services of any executive officer or director, or terminate the services of any executive officer or director other than for cause;
- (p) not adopt any new bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock option plan, fund or arrangement for the benefit of employees, officers, directors or contractors;
- (q) not amend any Employee Plan or enter into a new Employee Plan;
- (r) not amend, terminate or assign any Key License or Contract that is material to the Business;
- (s) not amend, terminate or assign any Permits and Licenses (other than a Key License) or a Contract that is not material to the Business;
- (t) not materially delay or amend payment terms for any Post-Filing Trade Amounts or amend payment terms for any Pre-Filing Stayed Unsecured Obligations;
- (u) not grant any material refunds, credits, rebates, or allowances to customers or accelerate or delay collections;
- (v) not waive, release, permit the lapse of, relinquish or assign any material rights under any Contract that is material to the Business;
- (w) keep in full force and effect all of its existing insurance policies (including as they relate to Employee Plans) and give any notice or present any claim under any such insurance policies in a manner consistent with past practices of the Company and in the ordinary course of the Business;
- (x) not enter into any Contract related to the Business, except for Contracts that are purchase orders entered into in the ordinary course of the Business that are included in the DIP Budget and do not exceed \$200,000 individually or \$5,000,000 in the aggregate;

- (y) not authorize, or commit or agree, in writing or otherwise, to take, any of the actions that are prohibited by the foregoing covenants;
- (z) not terminate any Employees, other than the Terminated Employees in accordance with Section 6.2(aa);
- (aa) terminate the employment of the Terminated Employees by providing written notice of termination (“**Termination Notices**”) in a form satisfactory to the Buyer, acting reasonably and at such time reasonably requested by the Buyer, to each Terminated Employee with the termination of employment to be effective at least one (1) Business Day prior to Closing, it being acknowledged that the Company shall pay all accrued vacation pay owing to such Terminated Employees upon the termination of their employment. Seller shall provide Buyer with copies of all Termination Notices prior to Closing; and
- (bb) provide to the Buyer the Company’s draft response in respect of the Health Canada Notice of Compliant Rated Inspection Exit Notice dated March 27, 2024 at least 72 hours prior to submission of the draft response to Health Canada to allow the Buyer to review and comment on the draft response and Seller shall cause Company to give reasonable consideration to all such comments that are provided by Buyer in writing no later than 48 hours after Seller shares the draft response with Buyer.

### **6.3 Approvals and Consents**

The Seller shall as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any Governmental Authorities whose consent is required for consummation of the Transaction, if any, and the Seller will request any expedited processing available.

### **6.4 Company Support Obligations**

- (a) During the Interim Period Seller shall, and shall cause the Company to, subject to any approval of the Monitor required by the ARIO, as applicable:
  - (i) use commercially reasonable efforts to facilitate any calls or meetings between the Buyer and the Identified Customers and between the Buyer and the Company’s other customers that Buyer reasonably requests;
  - (ii) with the cooperation of or as directed by the Buyer, at the sole cost and expense of Buyer (in respect of any out-of-pocket expenses) and with the participation of the Buyer Consultant, negotiate amounts and payment terms for the Pre-Filing Stayed Unsecured Obligations; provided that any payment of the Pre-Filing Stayed Unsecured Obligations shall be subject to Closing;
  - (iii) consider in good faith with the Buyer Consultant any actions or changes to the Business which may increase operational efficiencies both before and after Closing; provided that the Seller has no obligation to implement any

actions or changes until following Closing except as otherwise may be required hereby;

- (iv) promptly notify the Buyer, in writing, of receipt of any notice, demand, request or inquiry by any Governmental Authority concerning the Transactions and in writing;
- (v) use commercially reasonable efforts to, upon request of the Buyer, cooperate and assist the Buyer in obtaining a R&W Policy prior to Closing, at the sole cost, expense and responsibility of Buyer; and
- (vi) the Company will promptly notify the Buyer of any Material Adverse Effect occurring from and after the date hereof.

## 6.5 Pre-Closing Reorganizations

- (a) Subject to Section 6.5(c) and subject to the conditions set forth in Section 5.1(a) and 5.1(b) having been satisfied, the Seller agrees that, upon request of Buyer, Seller shall, and shall cause the Company to (i) transfer the shares of Glasshouse Canada to CPL Canada in exchange for the issuance of a common share(s) of CPL Canada to CPL Canada Holdco (which will occur on a tax deferred basis in accordance with section 85 of the *Income Tax Act* (Canada)) and commence the wind-up of Glasshouse Canada into CPL Canada; and (ii) request a change in the fiscal period and taxation year of CPL Canada Holdco, CPL Canada and Glasshouse Canada for purposes of the *Income Tax Act* (Canada) with the Canada Revenue Agency to such date requested by the Buyer.
- (b) Subject to Section 6.5(c) and subject to the conditions set forth in Article 5 having been satisfied (other than those conditions that by their nature are to be satisfied at closing of the Transaction) or, where not prohibited, waived by the applicable Party or Parties in whose favour the condition is, the Seller agrees that, no earlier than the Business Day immediately prior to the Closing Date and upon request of Buyer, Seller shall, and shall cause the Company to (i) set-off amounts owing by the Company to the Seller or Glasshouse Pharmaceuticals LLC against amounts owing by the Seller or Glasshouse Pharmaceuticals LLC to the Company; (ii) otherwise settle any amounts outstanding between each of CPL Canada Holdco, CPL Canada and Glasshouse Canada and any other intercompany amounts, in each case in the manner specified by the Buyer acting reasonably; and (iii) with the consent of Seller, not to be unreasonably withheld, conditioned or delayed, perform such other reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as Buyer may request, acting reasonably (each such action, together with the actions in Section 6.5(a), a “**Pre-Closing Reorganization**”). The Seller agrees to use commercially reasonable efforts to cooperate with the Buyer and its advisors to determine the nature of any Pre-Closing Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, including filing or causing the Company to file available elections or designations reasonably required to effect the Pre-Closing

Reorganizations if such filing is reasonably proposed to made at or prior to Closing, and to cooperate with the Buyer and its advisors to seek to obtain consents or waivers which might be required under any Retained Contracts or Governmental Authorizations in respect of any Pre-Closing Reorganization. At the sole option of the Seller, acting reasonably and following consultation with the Buyer, the Company will file any available election under paragraph 15(2.11)(d) of the *Income Tax Act* (Canada) in respect of amounts owing by the Seller or Glasshouse Pharmaceuticals LLC to the Company.

- (c) Notwithstanding the foregoing, the Seller and Company will not be obligated to participate in any Pre-Closing Reorganization if the Seller determines acting reasonably that such Pre-Closing Reorganization would (i) materially impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 5, or the ability of the Buyer and Seller to consummate, or materially delay the consummation of, the Transaction, or (ii) in the case of an action contemplated in Section 6.5(b), (A) materially alter or impact the consideration which the CCAA Applicants and/or their applicable stakeholders will benefit from as part of the Transactions, or (B) have adverse tax consequences, or impose any Liability on, the remaining CCAA Applicants, the Monitor or any director of the Company in each case that is greater than the amount of such tax consequences or Liability in the absence of such action.
- (d) This Agreement (including the Closing Sequence) will be amended and restated as required to give effect to a Pre-Closing Reorganization. Additionally, the Buyer may, on written notice to the Seller, determine to acquire the CPL Canada shares in exchange for the Share Purchase Consideration and the Parties shall amend and restate this Agreement to reflect such change if such notice is provided; provided that the Parties shall use reasonable best efforts to structure such amendment to the Transaction for the purchase of the CPL Canada shares in a manner that does not give rise to any Liability of any director of the Company or the Monitor in respect of any Company Taxes. If the Buyer requires a Pre-Closing Reorganization, provided that Buyer has first waived the conditions in Sections 5.1(a), 5.1(d) and 5.1(g), the Buyer may, in its sole and absolute discretion, extend the Outside Date by up to 21 days by providing written notice to the Seller and Monitor.

## **6.6 Further Assurances**

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Applicable Laws to consummate and make

effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

## **6.7 Fees and Expenses**

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

## **6.8 Advice and Direction**

The Parties acknowledge that the Monitor is entitled (but not required) to seek the advice and directions of the Court in respect of any determination to be made, consent right to be exercised or other action to be taken by the Monitor under this Agreement.

## **6.9 Release by the Buyer**

Except in connection with any obligations of the Company contained in this Agreement, any Closing Document or the Court Orders, or to the extent otherwise settled under the Transaction, effective as of the Closing Time, Buyer and its Affiliates (including the Company) hereby irrevocably release and forever discharge the Seller, the Monitor, the respective lender parties of the Credit Facilities, and each of their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, representatives and advisors (including financial and legal advisors) of each of them (the “**Company Released Parties**”), whether in this jurisdiction or any other, whether or not presently known to them or to the law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Buyer and its Affiliates (including the Company) ever had, now has or ever may have or claim to have against any of the Company Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time (including, where applicable, in their capacity as equity holders of the Company), save and except for any Claims arising out of fraud or willful misconduct.

## **6.10 Release by the Company**

Except in connection with the obligations of the Buyer contained in this Agreement, any Closing Documents or the Court Orders or the obligations of the Investors under the Equity Commitment Letter, or to the extent otherwise settled under the Transaction, effective as of the Closing Time, the Company and its Affiliates (including ResidualCo) hereby irrevocably release and forever discharge the Buyer, the Monitor, the respective lender parties of the Credit Facilities, and each of their respective Affiliates, and each of their respective successors and assigns, and all current and former officers, directors, partners, members, shareholders, limited partners, employees, agents, representatives and advisors (including financial and legal advisors) of each of them (the “**Buyer Released Parties**”), whether in this jurisdiction or any other, whether or not presently known to them or to the

law, and whether in law or equity, of and from, and hereby unconditionally and irrevocably waives, any and all Released Claims that the Company and its Affiliates (including ResidualCo) ever had, now has or ever may have or claim to have against any of the Buyer Released Parties in their capacity as such, for or by reason of any matter, circumstance, event, action, inaction, omission, cause or thing whatsoever arising prior to the Closing Time, save and except for any Claims arising out of fraud or willful misconduct.

### 6.11 Conflict Waiver; Solicitor Client Privilege

- (a) Each of the Parties acknowledges and agrees, on its own behalf and on behalf of its directors, members, shareholders, partners, officers, employees and Affiliates, that:
- (i) Goodmans LLP has acted as counsel to the Seller and its Affiliates (not including the Company) (collectively, the “**Seller Group**”) and the Company, in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. The Buyer agrees, and shall cause the Company to agree, that, following consummation of the transactions contemplated hereby, such representation and any prior representation of the Company by Goodmans LLP (or any successor) (the “**Seller Group Law Firm**”) shall not preclude Seller Group Law Firm from serving as counsel to the Seller Group or any director, member, shareholder, partner, officer, or employee of the Seller Group, in connection with any litigation, claim, or obligation arising out of or relating to this Agreement or the transactions contemplated hereby.
  - (ii) The Buyer shall not, and shall cause each Company not to, seek or have Seller Group Law Firm disqualified from any such representation based on the prior representation of the Company by Seller Group Law Firm. Each of the Parties hereby consents thereto and waives any conflict of interest arising from such prior representation, and each of such Parties shall cause any of its Affiliates to consent to waive any conflict of interest arising from such representation. Each of the Parties acknowledges that such consent and waiver is voluntary, that it has been carefully considered, and that the parties have consulted with counsel or have been advised they should do so in connection herewith. The covenants, consent and waiver contained in this Section 6.11(a) shall not be deemed exclusive of any other rights to which Seller Group Law Firm is entitled whether pursuant to law, contract, or otherwise.
- (b) All communications prior to Closing between the Seller Group or the Company, on the one hand, and Seller Group Law Firm, on the other hand, relating to the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (the “**Privileged Communications**”) shall be deemed to be solicitor-client privileged and the expectation of client confidence relating thereto shall survive Closing, and from and after Closing shall belong solely to the Seller Group and shall not pass to or be



claimed by the Buyer or any Company. Accordingly, the Buyer and the Company shall not have access to any Privileged Communications or to the files of Seller Group Law Firm relating to such engagement from and after Closing. Without limiting the generality of the foregoing, from and after the Closing, (i) the Seller Group (and not the Buyer or any Company) shall be the sole holders of the solicitor-client privilege with respect to such engagement, and none of the Buyer or any Company shall be a holder thereof, (ii) to the extent that files of Seller Group Law Firm in respect of such engagement constitute property of the client, only the Seller Group (and not the Buyer or any Company) shall hold such property rights and (iii) Seller Group Law Firm shall have no duty whatsoever to reveal or disclose any such Privileged Communications or files in respect thereof to the Buyer or any Company by reason of any solicitor-client relationship between Seller Group Law Firm and the Company or otherwise. Notwithstanding the foregoing, in the event that after Closing a dispute arises between the Buyer or its Affiliates (including the Company), on the one hand, and a third party other than any of the Seller Group, on the other hand, the Buyer and its Affiliates (including the Company) may assert the solicitor-client privilege to prevent disclosure of any Privileged Communications to such third party; provided, however, that neither the Buyer nor any of its Affiliates (including the Company) may waive such privilege in respect of any Privileged Communications (if asserted in accordance with the prior sentence) without the prior written consent of the Seller Group, which consent shall not be unreasonably withheld, conditioned or delayed. In the event that the Buyer or any of its Affiliates (including the Company) is legally required by Governmental Order or otherwise legally required to access or obtain a copy of all or a portion of the Privileged Communications, to the extent (x) permitted by Applicable Law, and (y) advisable upon advice of the Buyer's counsel, then the Buyer shall immediately (and, in any event, within five Business Days) notify the Seller in writing so that the Seller can seek a protective order. In furtherance of the foregoing, each of the Parties agrees that (i) no waiver is intended by failing to remove all Privileged Communications from the Company's files and computer systems, and (ii) after Closing the Parties will use commercially reasonable efforts to take the steps necessary to ensure the Privileged Communications are held and controlled by the Seller Group. The Buyer agrees that after Closing none of the Buyer, the Company, or their Affiliates will, directly or indirectly, use, disclose or assert the Privileged Communications in any action, litigation, claim, or dispute against or involving the Seller Group.

- (c) This Section 6.11 is intended for the benefit of, and shall be enforceable by, Seller Group.

## **6.12 Terminated Employee Fund**

Subject to the Company obtaining the Terminated Employee Fund Order, the Buyer shall pay to the Monitor, by wire transfer of immediately available funds, an amount equal to the Terminated Employee Fund and the Monitor will establish, or cause to be established, the Terminated Employee Fund on the Closing Date, to be held in escrow and distributed in accordance with the provisions of the Terminated Employee Fund Escrow Agreement.

Any residual balance in the Terminated Employee Fund after the final distribution amounts from the Terminated Employee Fund shall be an asset of and owned by the Buyer, and shall be distributed to Buyer as specified in the Terminated Employee Fund Escrow Agreement. The Seller shall cooperate with the escrow agent of the Terminated Employee Fund and use commercially reasonable efforts to assist it in carrying out its duties under the Terminated Employee Fund Escrow Agreement.

## **ARTICLE 7 COURT ORDERS**

### **7.1 Court Orders**

- (a) The Seller shall serve and file a motion with the Court seeking the issuance of the Court Orders.
- (b) From and after the date of this Agreement and until the Closing Date, the Seller shall, and shall cause the Company to, deliver to counsel to the Buyer drafts of any and all pleadings, motions, notices, statements, applications, schedules, reports, and other papers to be filed or submitted by the Company in connection with or related to this Agreement, for the Buyer's prior review at least two (2) Business Days in advance of service and filing of such materials (or where circumstances make it impracticable to allow for two (2) Business Days' review, with as much opportunity for review and comment as is practically possible in the circumstances). The Company acknowledges and agrees (i) that any such pleadings, motions, notices, statements, applications, schedules, or other papers in respect of the Court Orders (other than reports of the Monitor) shall be in form and substance satisfactory to the Buyer, acting reasonably, and (ii) to consult and cooperate with the Buyer regarding any discovery, examinations and hearing in respect of any of the foregoing, including the submission of any evidence, including witnesses testimony, in connection with such hearing.
- (c) The Buyer shall cooperate with the Seller acting reasonably, as may be reasonably necessary, in seeking to obtain the Court Orders, including providing such evidence of financial wherewithal for the Company to perform the Assumed Liabilities as and when due as may be reasonably requested by the Seller or Monitor or required by the Court.
- (d) The Seller shall use its reasonable best efforts to obtain the Court Orders as soon as practicable. Buyer acknowledges that Court time has been scheduled for April 12, 2024.
- (e) Notice of the motions seeking the issuance and entry of the Court Orders shall be served by the Seller on the service list for the CCAA Proceedings prepared by the CCAA Applicants and reviewed by the Monitor, and any other Person as may be reasonably requested in writing by the Buyer.

## ARTICLE 8 TERMINATION

### 8.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by either Party if Closing does not occur on or before the Outside Date; provided, however, that the Party seeking to terminate this Agreement may not terminate pursuant to this Section 8.1(a) if the Closing's non-occurrence on or before the Outside Date is caused by such Party's failure to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing Date;
- (b) subject to any approvals required from the Court or otherwise pursuant to the CCAA Proceedings, and with the consent of the Monitor, by mutual written consent of the Seller and the Buyer;
- (c) by either Party, upon written notice to the other, if a Governmental Authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become a Final Order;
- (d) by the Seller upon written notice to the Buyer and with the consent of the Monitor, if there has been a material violation or breach by the Buyer of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 5.2 on or before the Outside Date and such violation or breach has not been waived by the Seller or cured within ten (10) days after written notice thereof from the Seller, unless a Seller is in material breach of its obligations under this Agreement;
- (e) by the Buyer upon written notice to the Seller, if there has been a material violation or breach by a Seller of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 5.1 on the Closing Date and such violation or breach has not been waived by the Buyer or cured within ten (10) days after written notice thereof from the Buyer, unless the Buyer is in material breach of its obligations under this Agreement;
- (f) by the Buyer or the Seller if the Court declines to grant the Approval and Vesting Order in respect of the Transaction; provided, however, that the Party seeking to terminate this Agreement may not terminate pursuant to this Section 8.1(f) if the Court's aforementioned non-approval of the Transaction is caused by such Party's failure to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with before the Closing Date; and
- (g) by the Buyer upon written notice to the Seller if: (i) the Buyer determines that the condition in Section 5.1(a) will not be met; or (ii) the Company has not arranged a call between Buyer and each Identified Customer to be held prior to the Customer Deadline. The termination right in this Section 8.1(g) will terminate and be of no

further force or effect unless exercised by Buyer in writing by the Customer Deadline; and

- (h) by the Buyer if there occurs an event of default under the DIP Facility and the DIP Lender provides notice to the Company that it is accelerating payment of amounts owing by the Company under the DIP Facility.

## **8.2 Effect of Termination**

- (a) In the event of termination of this Agreement pursuant to Section 8.1, this Agreement shall forthwith become null and void, except as set forth in this Section 8.2 and Article 10, provided that, subject to Section 8.2(b), nothing herein shall impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement prior to such termination or such obligations that expressly survive termination (including the Seller's right to compel specific performance of the Investors' obligations under the Equity Commitment Letter prior to the termination of the Agreement).
- (b) If this Agreement is terminated pursuant to Section 8.1 (other than Section 8.1(d)) the Deposit shall be returned to the Buyer together with any interest earned thereon within two (2) Business Days following the date of termination of this Agreement and the return of the Deposit plus any interest earned thereon shall be the sole and exclusive remedy of the Buyer in respect of such termination (including the actions, events, circumstances or otherwise giving rise to such termination) and the Buyer hereby expressly waives and renounces any other remedies whatsoever, whether at law or in equity, which the Buyer may or would otherwise be entitled to as against the Seller.
- (c) If this Agreement is terminated pursuant to Section 8.1(d), the Deposit together with any interest thereon shall be forfeited by the Buyer to, and become the sole property of, the Seller as liquidated damages and not as a penalty to compensate the Seller and the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions. Subject to Seller's right to seek specific performance under Section 8.2(a) prior to termination of this Agreement, the Seller agrees that the Deposit, plus any accrued interest, shall be the sole and exclusive remedy of the Seller in respect of any violation or breach by the Buyer of this Agreement and termination of the Agreement and the Seller hereby expressly waives and renounces any other remedies whatsoever, whether at law or in equity, which the Seller may or would otherwise be entitled to as against the Buyer. Without prejudice to the Seller's right to seek specific performance prior to termination of this Agreement, the Parties agree that the amount of the Deposit (plus all interest accrued thereon) constitutes a genuine pre-estimate of the Seller's liquidated damages as a result of the Closing not occurring. The Buyer hereby waives any claim or defence that the amount of the Deposit (plus all interest accrued thereon) is a penalty or is otherwise not a genuine pre-estimate of the Seller's liquidated damages.

## **ARTICLE 9 CLOSING**

### **9.1 Location and Time of Closing**

The Closing shall take place at the Closing Time on the Closing Date by means of an electronic closing, or such other place or fashion as may be agreed upon in writing by the Parties, in which the closing documentation will be delivered by email exchange of signature pages in PDF or functionally equivalent electronic format, which delivery will be effective without any further physical exchange of the originals or copies of the originals except as otherwise provided in this Agreement.

### **9.2 Closing Sequence**

On the Closing Date, subject to the terms of the Approval and Vesting Order, Closing shall take place in the sequence set out in the Closing Sequence. The Buyer may, as a result of any Pre-Closing Reorganization or otherwise with the prior consent of the Company and the Monitor, acting reasonably, amend the Closing Sequence provided that such amendment to the Closing Sequence does not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

### **9.3 Closing Deliveries**

- (a) At the Closing, the Seller shall deliver to the Buyer:
  - (i) the documents required to be delivered by it pursuant to Section 5.1;
  - (ii) share certificates representing the CPL Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the holder of record;
  - (iii) a certificate of status, compliance, good standing or like certificate with respect to each Company issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction; and
  - (iv) any other documents reasonably requested by the Buyer in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement (which would not expand the rights, remedies or Liabilities of any Party hereunder).
- (b) At the Closing, the Buyer shall deliver to the Seller:
  - (i) the documents required to be delivered by the Buyer pursuant to Section 5.2;
  - (ii) the payments required to be released and paid by the Buyer pursuant to Section 2.3(b);

- (iii) a certified copy of a resolution of the Buyer's board of directors authorizing the entering into of this Agreement;
- (iv) a certificate of status, compliance, good standing or like certificate with respect to the Buyer issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction; and
- (v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement (which would not expand the rights, remedies or Liabilities of any party hereunder).

#### **9.4 Monitor's Certificate**

The Parties hereby acknowledge and agree that the Monitor will be entitled to deliver the Monitor's Certificate to the Buyer and file the Monitor's Certificate with the Court without independent investigation upon: (i) receiving written confirmation from the Seller and the Buyer that all conditions to Closing set forth in Article 5 have been satisfied or waived; and (ii) receiving the entirety of the Closing Consideration and the Administrative Expense Reserve, and the Monitor will have no liability to the Seller or the Buyer or any other Person as a result of delivering and filing the Monitor's Certificate or otherwise in connection with this Agreement or the Transaction contemplated hereunder (whether based on contract, tort or any other theory).

#### **9.5 Administrative Expense Reserve**

On that date that is six (6) months following Closing or such later date as the Monitor shall determine in its sole discretion, any unused portion of the Administrative Expense Reserve after payment or reservation for all Administrative Expense Costs, as determined by the Monitor, shall be transferred by the Monitor to the Company.

### **ARTICLE 10 GENERAL MATTERS**

#### **10.1 Confidentiality**

- (a) Except to the extent otherwise specifically provided in this Section 10.1, each Party, on behalf of itself and its Affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 10.1 by any of its Affiliates and its and their respective directors, employees, advisors, agents and representatives.
- (b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to a Taxing

Authority in order to describe the Tax treatment and Tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.

- (c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record-keeping policies.
- (d) Any Confidential Information of the Seller that constitutes part of the Business will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

## **10.2 Public Notices**

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that the Buyer may make a press release or other announcement concerning the Transaction after the Closing without the prior consent of the Seller and, further, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings) or by any court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its Affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other (including sharing a draft of any such proposed disclosure), and if such prior notice is not possible, to give such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court and, in advance of it being publicly filed with the Court, provided to stakeholders of the Seller in the CCAA Proceedings who are subject to a confidentiality agreement; and (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting such confidential or sensitive information as may be agreed among the Parties and permitted by Applicable Laws. The Parties further agree that:

- (a) the Monitor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the CCAA Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to obtain Court approval to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

### **10.3 Survival**

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 5.1 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of any Seller's representations or warranties, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 8.1). None of the Seller's covenants contained in Article 7 to be performed on or prior to the Closing shall survive the Closing. The Parties' respective covenants and agreements set forth herein that by their specific terms contemplate performance after Closing, shall survive the Closing indefinitely unless otherwise set forth herein. For the avoidance of doubt, the Parties' respective covenants and agreements set forth in Sections 6.9 and 6.10 shall survive the Closing indefinitely.

### **10.4 Non-Recourse**

No past, present or future director, officer, employee, incorporator, member, partner, shareholder, Affiliate, agent, advisor or representative of the respective Parties hereto (the "**Non-Recourse Persons**"), in such capacity, shall have any liability for any representations, warranties, obligations or liabilities of the Buyer or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of the Transaction.

### **10.5 Assignment; Binding Effect**

The Seller may not assign its right or benefits under this Agreement without the consent of the other Party hereto. Prior to Closing, the Buyer may assign, upon written notice to the Seller, all or any portion of its rights and obligations under this Agreement to an Affiliate provided that such Affiliate is capable of making the same representations and warranties herein and completing the Transactions by the Outside Date. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the Monitor and the express third party beneficiaries of Sections 6.9, 6.10 and 10.4 hereof. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder. The Buyer shall remain jointly and severally liable with all assignees and delegates for its obligations herein up to the Closing.

### **10.6 Notices**

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five (5) days after



mailing via certified mail, return receipt requested. All notices not delivered personally or by email will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

AIP Elixir Buyer Inc.  
c/o Aterian Investment Partners IV, LP  
550 Fifth Avenue, 8th Floor  
New York, NY 10036

Attention: Christopher H. Thomas / Jay Taunk  
Email: [cthomas@aterianpartners.com](mailto:cthomas@aterianpartners.com) / [jtaunk@aterianpartners.com](mailto:jtaunk@aterianpartners.com)

with copies (which shall not in itself constitute notice) to:

Osler, Hoskin & Harcourt LLP  
First Canadian Place  
100 King St. W Suite 6200  
Toronto, Ont M5X 1B8

Attention: Marc Wasserman / Tracy Sandler / Justin Sherman

E-mail: [mwasserman@osler.com](mailto:mwasserman@osler.com) / [tsandler@osler.com](mailto:tsandler@osler.com) /  
[jsherman@osler.com](mailto:jsherman@osler.com)

and

Kirkland & Ellis LLP  
300 N La Salle Dr  
Chicago, IL 60654, United States

Attention: Adam M. Wexner, P.C. / Steve Toth

E-mail: [adam.wexner@kirkland.com](mailto:adam.wexner@kirkland.com) / [steve.toth@kirkland.com](mailto:steve.toth@kirkland.com)

(b) If to the Seller at:

7600 Danbro Crescent  
Mississauga, Ontario L5N 6L6

Attention: Jan Sahai  
Email: [jsahai@cplltd.com](mailto:jsahai@cplltd.com)

with copies (which shall not in itself constitute notice) to:

Goodmans LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 3400

Toronto, Ontario  
M5H 2S7

Attention: Chris Armstrong/Erik Axell/Jennifer Linde  
Email: carmstrong@goodmans.ca/eaxell@goodmans.ca/jlinde@goodmans.ca

(c) If to the Monitor at:

220 Bay Street, 13<sup>th</sup> Floor  
PO Box 20  
Toronto, ON M5J 2W4

Attention: Noah Goldstein/Ross Graham  
Email: ngoldstein@ksvadvisory.com/rgraham@ksvadvisory.com

with copies (which shall not in itself constitute notice) to:

Cassels, Brock & Blackwell LLP  
Bay Adelaide Centre  
40 Temperance Street, Suite 3200  
Toronto, ON M5H 0B4

Attention: Ryan C. Jacobs/Joseph Bellissimo  
Email: rjacobs@cassels.com/jbellissimo@cassels.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

### **10.7 Third Party Beneficiaries**

Except with respect to: (i) the Monitor as expressly set forth in this Agreement or ResidualCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo as an Excluded Liability at the Closing (ii) the Non-Recourse Persons pursuant to Section 10.4; (iii) the Company Released Parties pursuant to Section 6.9; (iv) the Buyer Released Parties pursuant to Section 6.10 and (v) ResidualCo as it relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to ResidualCo as an Excluded Asset at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

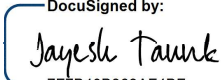
### **10.8 Counterparts; Signatures**

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one

and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

**AIP ELIXIR BUYER INC.**

By:  \_\_\_\_\_  
Name: Jayesh Taunk  
Title: Director

**CONTRACT PHARMACEUTICALS LIMITED**

By: \_\_\_\_\_  
Name: Jan Sahai  
Title: Officer

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

**AIP ELIXIR BUYER INC.**

By: \_\_\_\_\_  
Name: Jayesh Taunk  
Title: Director

**CONTRACT PHARMACEUTICALS LIMITED**

By: \_\_\_\_\_ *Jan Sahai*  
Name: Jan Sahai  
Title: Officer

Signed by: Jan Sahai  
CEO  
Date & Time: March 29, 2024 22:12:11 EDT

## **SCHEDULE A**

### **ASSUMED LIABILITIES**

1. GST/HST liabilities of \$627,474.15 for the period ending December 15, 2023, as detailed in a letter to the Monitor dated February 6, 2024, and accrued and unpaid GST/HST liabilities, if any, for the period from December 15, 2023, through the Closing.
2. Customer rebate obligations owing to Endo Pharmaceuticals or its affiliates totalling approximately US\$201,584.88.

**SCHEDULE B**

**ENCUMBRANCES TO BE DISCHARGED**

- (a) All Encumbrances under the DIP Facility
- (b) All Encumbrances under the RBC Facility and RBC Security Agreement
- (c) All Encumbrances under the Deerfield Facility and Deerfield Security Agreement
- (d) All Encumbrances under the EDC Facility and EDC Security Agreement

**SCHEDULE C**

**EXCLUDED ASSETS**

None.



## **SCHEDULE D**

### **EXCLUDED CONTRACTS**

- (a) RBC Facility, RBC Security Agreement and RBC Intercreditor Agreement
- (a) Deerfield Facility, Deerfield Security Agreement and Deerfield Intercreditor Agreement
- (b) EDC Facility and EDC Security Agreement
- (c) The FedDev Facility
- (d) ANDA Sale and Assignment Agreement dated April 14, 2023 between Chartwell RX Sciences, LLC and Glasshouse Pharmaceuticals Limited Canada

## **SCHEDULE E**

### **EXCLUDED LIABILITIES**

- (a) All Liabilities relating to or arising from the Retained Contracts, prior to the commencement of the CCAA Proceedings which are not Pre-Filing Stayed Unsecured Obligations or otherwise Post-Filing Trade Amounts payable under the Retained Contracts
- (b) Any and all Liabilities with regard to any litigation or other legal proceedings brought or initiated, or which could be brought or initiated, against the Company relating to or arising from any act, occurrence or circumstance existing at or before the Closing Date
- (c) Any and all Liabilities relating directly or indirectly, at Applicable Law, under contract or otherwise, to or arising from the Excluded Contracts or any assets or Contracts of Glasshouse Canada
- (d) Pre-petition Severance Amounts (which, for greater certainty, includes amounts for Claims relating to employment benefits and post-employment benefits for any Former Employee)
- (e) Claims under the FedDev Facility

## **SCHEDULE F**

### **PERMITTED ENCUMBRANCES**

- (a) Encumbrances permitted in writing by the Buyer.
- (b) Encumbrances in respect of any Retained Contracts.
- (c) Any Claim or Encumbrance reserved to or vested in any Governmental Authority by the terms of any of the Permits and Licenses, including any requirement to terminate, to require annual or other periodic payments or any action, omission or other compliance obligation or requirement as a condition to the continuance, status or effectiveness thereof.

## SCHEDULE G

### RETAINED CONTRACTS

#### Leases

1. (i) Lease between Dundee Danbro Holdings Limited and CPL Canada dated April 7, 1999, respecting the property bearing municipal address 7600 Danbro Crescent, Mississauga, Ontario; (ii) Lease Amending Agreement between GE Canada Real Estate Equity Holding Company and CPL Canada dated March 5, 2012; (iii) letter of succession and Notice of Direction from Piret (Mississauga) Holdings Inc. to CPL Canada dated May 15, 2013; and (iv) Lease Amending Agreement between Piret and CPL Canada dated October 25, 2023.
2. Lease between Laurel Lynn investment Limited, Ben-Ted Construction Limited and CPL Canada dated October 8, 2012, respecting the property bearing municipal address 2145 Meadowpine Boulevard, Mississauga, Ontario; and (ii) Lease between GTA W21 Inc. and CPL Canada dated September 12, 2023.

#### Customer Contracts

3. Manufacturing and Supply Agreement between Novartis Consumer Health Canada Inc., as customer, and Contract Pharmaceuticals Limited Canada, as manufacturer and supplier, dated May 13, 2013, as amended.
4. Manufacture and Supply Agreement, between OptiNose US Inc., OptiNose UK Ltd., OptiNose AS, and on the other hand, Contract Pharmaceuticals Limited Canada, dated August 18, 2017, as renewed and amended.
5. Manufacture and Supply Agreement between Covis Pharma BmbH, as buyer, and Contracts Pharmaceuticals Limited Canada, as supplier, dated August 15, 2022.
6. Supply Agreement between Upsher-Smith Laboratories, Inc. and Contract Pharmaceuticals Limited Canada, dated May 1, 2012.
7. Manufacturing and Supply Agreement between Johnson & Johnson Healthcare Products Division of McNeil PPC, Inc., as customer and Contract Pharmaceuticals Limited Canada, as manufacturer, dated August 1, 2010.
8. Extension and Amendment to Johnson & Johnson Manufacturing and Supply Agreement, dated December 15, 2013.
9. Extension and Amendment of Johnson & Johnson Manufacturing and Supply Agreement, dated December 14, 2021.
10. Amendment to the Johnson & Johnson Manufacturing and Supply Agreement, dated January 1, 2021.

11. Development and Manufacture Agreement between Pfizer Inc, as customer and Contract Pharmaceuticals Limited Canada, dated December 16, 2021, as amended.
12. Master Scientific Services Agreement between Contract Pharmaceuticals Limited Canada, as provider and Pfizer Inc., as customer, dated April 13, 2021, as amended.
13. Commercial Supply Agreement between Incyte Biosciences International Sàrl, as customer, and Contract Pharmaceuticals Limited Canada, as supplier, dated April 28, 2023, as amended.
14. Toxicology Batches Manufacturing and In-Use Stability Testing of [REDACTED] Agreement between Contract Pharmaceuticals Limited Canada and Pfizer Inc., as customer, dated February 6, 2024.
15. Amended and Restated Supply Agreement between Contract Pharmaceuticals Limited Canada, and Actavis Mid Atlantic LLC, dated June 29, 2012, as amended.
16. Partial Assignment and Assumption to the Actavis Amended and Restated Supply Agreement, between Actavis Mid-Atlantic LLC, as assignor and Actavis Laboratories NY, Inc., as assignee, dated June 29, 2019.
17. Supply Agreement, between Valeant Pharmaceuticals North America, Maruho Co., Ltd., and Contract Pharmaceuticals Limited, dated February 1, 2011, as amended.
18. Manufacture and Supply Agreement between Valeant sp. z.o.o. s.p.j. and Contract Pharmaceuticals Limited Canada, dated March 10, 2015.
19. Manufacture and Supply Agreement between Valeant sp. z.o.o. sp.j and Contract Pharmaceuticals Limited Canada, dated as of January 1, 2015.
20. Manufacture and Supply Agreement between Valeant sp. z.o.o. s.p.j., as buyer, and Contract Pharmaceuticals Limited Canada, dated as of September 28, 2015.
21. Master Supply Agreement between Endo Ventures Limited, and Contract Pharmaceuticals Limited Canada, as supplier, dated March 1, 2016.

## SCHEDULE H

### CLOSING SEQUENCE

- (a) First, the Buyer shall pay the unpaid balance of the Closing Consideration (which does not include any amount of the Deposit and the interest accrued thereon) and the Administrative Expense Reserve to the Monitor, to be held in escrow by the Monitor, and the entire Closing Consideration shall be dealt with in accordance with this Closing Sequence with such payment (including the Deposit and any interest accrued thereon) constituting a loan from Buyer to CPL Canada Holdco;
- (b) Second, all Existing Equity (other than the CPL Shares and for greater certainty, shares of CPL Canada and Glasshouse Canada) as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration;
- (c) Third, the Company shall be deemed to transfer to ResidualCo the Excluded Assets and the Excluded Contracts for no consideration, pursuant to the Approval and Vesting Order;
- (d) Fourth, ResidualCo shall be deemed to assume the Excluded Liabilities from the Company for no consideration (and, for greater certainty, the assumption of the Excluded Liabilities will not be consideration for the Excluded Assets or Excluded Contracts), pursuant to the Approval and Vesting Order;
- (e) Fifth, the Company shall pay all Company-side advisors' expenses (including the Company's and Monitor's financial advisor and legal counsel fees), in each case from the Company's cash on hand, and the Monitor shall retain the Administrative Expense Reserve in a separate interest-bearing account;
- (f) Sixth, from the amounts provided by the Buyer referred to in (a) and the Deposit with the interest accrued thereon, if any (which will represent the Closing Consideration):
  - (i) the Monitor shall be directed to pay all Claims owing under the DIP Facility,
  - (ii) the Monitor shall be directed to pay all Claims owing under the RBC Facility,
  - (iii) the Monitor shall be directed to pay all Claims owing under the EDC Facility, and
  - (iv) the Monitor shall be directed to pay all Claims owing under the Deerfield Facility,

and to the extent such Claims are payable by CPL Canada or Glasshouse Canada, CPL Canada Holdco shall be deemed to have made an equity contribution in such amounts to CPL Canada and Glasshouse Canada, as applicable; and

- (g) Seventh, the CPL Shares shall be transferred to the Buyer, free and clear of all Encumbrances for the Share Purchase Price.

**SCHEDULE I**  
**FORM OF APPROVAL AND VESTING ORDER**

(see attached)



Court File No. CV-23-00711401-00CL

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

THE HONOURABLE ) FRIDAY, THE 12<sup>TH</sup>  
 )  
JUSTICE CAVANAGH ) DAY OF APRIL, 2024  
 )

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the "Applicants")

**APPROVAL AND REVERSE VESTING ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order, *inter alia*, (a) approving the Share Purchase Agreement (as may be amended, the "**Agreement**") between Contract Pharmaceuticals Limited, as seller ("**Seller**"), and AIP Elixir Buyer Inc., as buyer ("**Buyer**"), dated as of March ●, 2024 and attached hereto as **Schedule "A"** and the transaction contemplated therein (the "**Transaction**"), (b) vesting and transferring the Excluded Assets, Excluded Contracts and Excluded Liabilities (including in relation to CPL Canada Holdco, CPL Canada, and Glasshouse Canada (collectively, the "**Company**")) in and to 1000834899 Ontario Inc. ("**ResidualCo**"), and (c) granting certain related relief, was heard this day by videoconference.

**ON READING** the Motion Record of the Applicants, including the affidavit of Jan Sahai sworn March ●, 2024, the Third Report of KSV Restructuring Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), dated March ●, 2024, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P. ("**Deerfield**"), counsel for Royal

Bank of Canada, and counsel for Export Development Canada, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of ●, sworn ●, 2024:

## **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order of this Court dated December 22, 2023 (the “**ARIO**”), the SISP Approval Order dated December 22, 2023 (the “**SISP Approval Order**”), or the Agreement, as applicable, and the following capitalized terms shall have the following meanings:

- (a) “**Expunged Claims**” means all Claims and Encumbrances (including, without limitation, the Excluded Liabilities) other than the Retained Obligations; and
- (b) “**Retained Obligations**” means (i) the Assumed Liabilities and (ii) the Permitted Encumbrances.

## **APPROVAL OF THE TRANSACTION**

3. **THIS COURT ORDERS AND DECLARES** that the Agreement and the Transaction are hereby approved, and the execution of the Agreement by the Seller is hereby authorized and approved, with such minor amendments to the Agreement as the parties to the Agreement may deem necessary or desirable, with the approval of the Monitor.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicants to proceed with and complete the Transaction and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that the Seller, the Applicants and the Monitor are hereby authorized to perform their obligations under the Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction.

#### **PRE-CLOSING REORGANIZATION**

6. **THIS COURT ORDERS** that the Pre-Closing Reorganization is hereby approved and the Applicants are hereby authorized to (a) implement and complete the Pre-Closing Reorganization in the manner and sequence specified in the Agreement, with such amendments thereto as the parties to the Agreement may deem necessary or desirable with the consent of the Monitor, and (b) perform such acts and execute such documents as contemplated under the Pre-Closing Reorganization or as may be necessary or desirable for the completion of the Pre-Closing Reorganization.

7. **THIS COURT ORDERS** that the Applicants are permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other related documents or instruments as may be necessary or desirable to effectuate the Pre-Closing Reorganization and that such articles, documents or instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under applicable law to obtain director, shareholder, partner, member or other approval under applicable law.

**VESTING OF EXCLUDED ASSETS, EXCLUDED CONTRACTS, EXCLUDED LIABILITIES AND CPL SHARES**

8. **THIS COURT ORDERS** that upon the delivery by the Monitor of the Monitor's certificate substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**") to the Applicants and the Buyer, the Closing Sequence shall occur and shall be deemed to have occurred in the sequence set out in the Agreement at the time of delivery of the Monitor's Certificate (the "**Effective Time**"), and the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

- (a) all right, title and interest of the Company in and to the Excluded Assets shall, for no consideration, be transferred to and vest absolutely and exclusively without recourse in ResidualCo;
- (b) all Excluded Contracts shall, for no consideration, be transferred to, assumed by and vest absolutely and exclusively without recourse in ResidualCo;
- (c) all Excluded Liabilities shall, for no consideration, be transferred to, assumed by and vest absolutely and exclusively without recourse in ResidualCo (and, for greater certainty, the assumption of the Excluded Liabilities will not be consideration for any Excluded Assets or Excluded Contracts);
- (d) all Expunged Claims shall be irrevocably and forever expunged, released and discharged as against the Company and the Retained Assets; and

(e) all right, title and interest of the Seller in and to the CPL Shares shall vest absolutely and exclusively in the Buyer, free and clear of all Claims and Encumbrances, other than Permitted Encumbrances.

9. **THIS COURT ORDERS** that, as of the Effective Time:

- (a) the Company shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Expunged Claims;
- (b) the nature and priority of the Excluded Liabilities, including their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and assumption by ResidualCo;
- (c) any Person that prior to the Effective Time had an Expunged Claim against or in respect of the Company or any Retained Assets shall, as of the Effective Time, no longer have any such Claim or Encumbrance against or in respect of the Company or the Retained Assets, but shall have an equivalent Claim or Encumbrance, as applicable, as against ResidualCo from and after the Effective Time in its place and stead, with the same attributes, rights, security, nature and priority as such Claim or Encumbrance had immediately prior to its transfer to ResidualCo; and
- (d) except for the CPL Shares and the common shares of CPL Canada and Glasshouse Canada owned by CPL Canada Holdco, any agreement, contract, plan, indenture, deed, subscription right, conversion right, pre-emptive right or other document or instrument governing or having been created or granted in connection with any

common shares, options, warrants, share units, or other equity interests of the Company shall be deemed terminated and cancelled for no consideration.

10. **THIS COURT ORDERS** that (a) nothing in this Order or the Agreement shall waive, compromise or discharge any obligations of the Company or the Buyer in respect of any Retained Obligations; (b) the designation of any Retained Obligation as such is without prejudice to the right of the Buyer or the Company to dispute the existence, validity or quantum of such Retained Obligation; and (c) nothing in this Order or the Agreement shall affect or waive the legal or equitable rights or defences of the Buyer or the Company with respect to such Retained Obligation, including, but not limited to, all rights with respect to entitlements to any set-offs or recoupment rights with respect to such Retained Obligation.

11. **THIS COURT ORDERS** that in the event that either the Company, the Seller or Monitor becomes aware that record or beneficial ownership or possession of any asset that is not an Excluded Asset has been transferred to ResidualCo at the Closing, then it shall promptly notify the other Party (or Parties, as applicable), and the Parties and ResidualCo shall thereafter reasonably cooperate to, as promptly as practicable, sell, convey, transfer, assign and deliver (or cause to be sold, conveyed, transferred, assigned and delivered) the relevant asset to the Company or Excluded Liability to ResidualCo, as applicable.

12. **THIS COURT ORDERS** the Monitor to serve on the service list in these CCAA proceedings (the “**CCAA Proceedings**”), post on the Monitor’s website, and file with this Court a copy of the Monitor’s Certificate as soon as possible after the delivery thereof to the Applicants and the Buyer in connection with the Transaction.

13. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Seller and the Buyer regarding the satisfaction or waiver of the conditions to closing under the Agreement and shall have no liability with respect to the delivery of the Monitor's Certificate.

## **INJUNCTIONS**

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, commencing or enforcing any rights, entitlements, remedies, Claims or Encumbrances, including the Encumbrances to Be Discharged (but for certainty, excluding the Permitted Encumbrances), against or in respect of the CPL Shares, the Company, the Retained Assets or the Buyer in any way relating to, arising from or in respect of any of the following (collectively, the "**Specified Matters**"):

- (a) the Excluded Assets;
- (b) the Excluded Contracts;
- (c) the Excluded Liabilities;
- (d) the Expunged Claims;
- (e) any circumstance that existed or event that occurred prior to the Effective Time that would have entitled such Person to enforce such right, entitlement, remedy, Claim or Encumbrance (except to the extent relating to a Retained Obligation);
- (f) the insolvency of the Applicants prior to the Effective Time;

- (g) the commencement or existence of these CCAA Proceedings or any other insolvency proceeding in respect of the Applicants, including any proceeding under Chapter 15 of the United States Bankruptcy Code (the “**US Bankruptcy Code**”);
- (h) the completion of the Transaction and any actions taken by the Applicants pursuant to the Agreement, the Pre-Closing Reorganization, this Order, the ARIO, the SISF Approval Order or any other Order of the Court in these CCAA Proceedings; or
- (i) any change of control, whether direct or indirect, of the Company arising from the implementation of the Transaction.

## **RETAINED CONTRACTS**

15. **THIS COURT ORDERS** that the Retained Contracts shall remain in full force and effect, and the Company shall remain entitled to all of its rights, benefits and entitlements under such Retained Contracts. From and after the Effective Time, no Person who is a counterparty to or has any rights under any Retained Contract may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations, enforce or exercise any right, entitlement or remedy (including any right of set-off), or make any demand with respect to such Retained Contract by virtue of or relating to any Specified Matter, and no automatic termination arising under such Retained Contract arising from or relating to any Specified Matter will have any validity or effect.

16. **THIS COURT ORDERS** that as of the Effective Time, all counterparties to a Retained Contract shall be deemed to have permanently waived any default or non-compliance by the Company under the terms of any Retained Contract arising from or relating to any Specified Matter.



17. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Agreement shall be paid by the Company to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Buyer and the relevant counterparty to a Retained Contract.

#### **CANCELLATION OF SECURITY REGISTRATIONS**

18. **THIS COURT ORDERS** that, from and after the Effective Time, the Seller, the Buyer and the Company and their respective counsel and agents are authorized to take all steps and execute such documents and instruments as may be necessary or desirable to effect the discharge of any Encumbrances (including, without limitation, those Encumbrances listed on Schedule “B” of the Agreement), except for any Permitted Encumbrances, as against the CPL Shares, the Company or the Retained Assets in any applicable jurisdiction.

19. **THIS COURT ORDERS** that, upon presentation of the required form with a true copy of this Order and the Monitor’s Certificate, the registrars under the *Personal Property Security Act* (Ontario) are hereby authorized and directed to cancel, discharge, delete and expunge all instruments and registrations made, registered or published against or in respect of the CPL Shares, the Company or the Retained Assets (including, without limitation, those instruments and registrations related to the Encumbrances listed on Schedule “B” of the Agreement), except for any Permitted Encumbrances.

20. **THIS COURT ORDERS** that, upon presentation of the required form with a true copy of this Order and the Monitor’s Certificate, the Registrar of Trademarks under the *Trademarks Act* (Canada), the Commissioner of Patents under the *Patent Act* (Canada), and any other applicable office responsible for the registration of trademarks, patents, copyrights and industrial designs of

the Company, are hereby authorized and directed to cancel, discharge, delete and expunge all security interests (other than the Permitted Encumbrances) recorded at the Canadian Intellectual Property Office, United States Patent and Trademark Office or any other registry responsible for registration in respect of the intellectual property applications and registrations of the Company, including without limitation those security interests listed on **Schedule “C”** hereto.

## **ADMINISTRATIVE CASE MATTERS**

21. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:
- (a) ResidualCo shall be a company to which the CCAA applies;
  - (b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an “Applicant” or the “Applicants” shall, unless the context otherwise requires, be deemed to refer to and include ResidualCo, *mutatis mutandis*; (ii) “Property”, as defined in the ARIO, shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and (iii) each of the Charges (as such term is defined in the ARIO) shall constitute charges on the ResidualCo Property;
  - (c) the Applicants comprising the Company shall cease to be Applicants in these CCAA Proceedings and shall be deemed to be released from the purview of the ARIO and all other Orders of this Court granted in the within CCAA Proceedings

and the CCAA Charges granted therein, save and except for this Order, the terms of which as they relate to the Company shall continue to apply in all respects; and

- (d) the Monitor shall be discharged as Monitor of the Applicants comprising the Company and shall solely be the Monitor of the Seller, Glasshouse Pharmaceuticals LLC and ResidualCo (collectively, the “**Remaining Applicants**”).

22. **THIS COURT ORDERS** that, as of the Effective Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF  
CONTRACT PHARMACEUTICALS LIMITED, GLASSHOUSE  
PHARMACEUTICALS LLC AND 1000834899 ONTARIO INC.

#### **VALIDITY OF THE TRANSACTION**

23. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any application for a bankruptcy order or a receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C 195, c. B-3, as amended (the “**BIA**”), the US Bankruptcy Code, or any other applicable legislation in respect of the Remaining Applicants or any of their respective property and any order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any of the Remaining Applicants;  
and

(d) the provisions of any applicable legislation,

the Agreement, the Closing Documents, the consummation of the Transaction, including without limitation the Pre-Closing Reorganization, the transfer and vesting of the Excluded Assets, the Excluded Contracts and the Excluded Liabilities in and to ResidualCo, the release and discharge of the Company and the Retained Assets from all Expunged Claims, and the vesting of the CPL Shares in the Buyer (i) shall be binding on any trustee in bankruptcy, receiver or monitor that may be appointed in respect of any of the Remaining Applicants, or their respective assets and property, (ii) shall not be void or voidable by creditors of the Remaining Applicants, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation or the US Bankruptcy Code, and (iii) shall not constitute nor be deemed to be oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **RELEASES**

24. **THIS COURT ORDERS** that, effective as of the Effective Time: (a) the current and former directors, officers, shareholders, employees, legal counsel and advisors of each of the Applicants (including, for the avoidance of doubt, the Company and ResidualCo); (b) the Monitor and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors; (c) the Buyer and its current and former directors, officers, employees, legal counsel and advisors; and (d) Deerfield and its current and former directors, officers, employees, legal counsel and advisors (the Persons specified in (a), (b), (c) and (d) being collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and

discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, Taxes (as defined in the Agreement) or liabilities in respect of Taxes (including, in each case, interest and penalties), recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in contract, statute, common law or otherwise) arising in connection with or relating, in whole or in part, directly or indirectly to (i) the terms or implementation of the Agreement, the Transaction or this Order, (ii) these CCAA Proceedings, or (iii) any act, omission, transaction, dealing, occurrence, matter, circumstance, fact or thing existing or arising prior to the Effective Time in respect of or relating to any of the Applicants (including, for the avoidance of doubt, the Company and ResidualCo) or their respective assets, liabilities, obligations, business, affairs, administration or management (collectively, the “**Released Claims**”), which Released Claims are hereby and shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other Person or entity and are extinguished; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim (x) against the current or former directors of the Applicants that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (y) with respect to any act or omission that is finally determined by a court of competent jurisdiction to have constituted actual fraud or willful misconduct.

25. **THIS COURT ORDERS** that all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims,

from: (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their respective property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; or (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their respective property.

26. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, neither the Applicants nor any of their current or former directors and/or officers shall be released from any claim, whether in law or in equity, known or unknown, existing up to the Effective Time, solely to the extent it is necessary with respect to maintaining any claims as against the insurance policies of the Applicants that may be available to pay insured claims in respect of the Applicants or their current or former directors and officers (the “**Insurance Policies**” and such claims being the “**Potentially Insured Claims**”); provided that, from and after the Effective Time, any Person having a Potentially Insured Claim shall only be entitled to recover from proceeds under the Insurance Policies, to the extent available, and the recovery of such claimant shall be solely limited

to such proceeds, without any additional rights of enforcement or recovery as against the Applicants or the current or former directors or officers of the Applicants.

27. **THIS COURT ORDERS** that nothing contained in this Order prejudices, compromises, releases or otherwise affects any right, defence or obligation of any insurer in respect of the Insurance Policies.

28. **THIS COURT ORDERS** that, effective as of the Effective Time, the Buyer and the Company shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicants (provided that, as it relates to the Company, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Company after the Effective Time, or (b) Taxes expressly assumed as Assumed Liabilities pursuant to the Agreement), including, without limiting the generality of the foregoing, all Taxes on behalf of any other Person, and Taxes that could be assessed against the Buyer or the Company (including its affiliates and any predecessor corporations) pursuant to section 160 or 160.01 of the *Income Tax Act* (Canada), including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Applicants.

## **GENERAL**

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

30. **THIS COURT DECLARES** that the Monitor and the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court,

tribunal or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and/or the Monitor as may be deemed necessary or appropriate for that purpose.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

32. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date hereof and is enforceable without any need for entry and filing.

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**SCHEDULE "A"**  
**SHARE PURCHASE AGREEMENT**

[Attached]

**SCHEDULE “B”  
FORM OF MONITOR’S CERTIFICATE**

Court File No. CV-23-0071101-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the “Applicants”)

**MONITOR’S CERTIFICATE**

A. Pursuant to the Amended and Restated Initial Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated December 22, 2023, the Applicants were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and KSV Restructuring Inc. was appointed as the monitor of the Applicants (in such capacity, the “**Monitor**”).

B. Pursuant to the Approval and Reverse Vesting Order of the Court dated April ●, 2024 (the “**Approval and Reverse Vesting Order**”), the Court approved the transaction (the “**Transaction**”) contemplated by the Share Purchase Agreement (as may be amended, the “**Agreement**”) between Contract Pharmaceuticals Limited, as seller (the “**Seller**”), and AIP Elixir Buyer Inc., as buyer (the “**Buyer**”) dated as of March ●, 2024.

C. The Approval and Reverse Vesting Order contemplates that the Transaction will be implemented and certain relief set out in the Approval and Reverse Vesting Order will become effective upon delivery of this Monitor’s Certificate by the Monitor to the Applicants and the Buyer.

D. Capitalized terms used but not defined herein have the meanings ascribed to them in the Approval and Reverse Vesting Order or the Agreement.

**THE MONITOR HEREBY CERTIFIES** the following:

1. The Monitor has received written confirmation from the Seller, in form and substance satisfactory to the Monitor, that it has received the Share Purchase Price.
2. The Buyer has paid to the Monitor the Closing Consideration, the Administrative Expense Reserve and the Employee Fund amount in accordance with the Agreement.
3. The Monitor has received written confirmation from the Buyer and the Seller, in form and substance satisfactory to the Monitor, that all conditions to Closing set forth in the Agreement have been satisfied or waived, as applicable, by the Buyer and the Seller.

This Monitor's Certificate was delivered by the Monitor at Toronto on \_\_\_\_\_, 2024.

**KSV RESTRUCTURING INC., in its capacity  
as Monitor of the Applicants, and not in its  
personal or corporate capacity**

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE “C”**  
**IP ENCUMBRANCES TO BE DELETED**

**[NTD: To be specified.]**

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

Court File No. CV-23-00711401-00CL

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO  
LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

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

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING ORDER**

**GOODMANS LLP**

Barristers & Solicitors  
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Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants

## SCHEDULE J

### TERMINATED EMPLOYEE FUND TERMS

- Maximum Terminated Employee Fund amount of C\$500,000 (the “**Terminated Employee Fund Amount**”), provided that Buyer may in its sole discretion contribute, or direct an Affiliate to contribute, additional amounts.
- Monitor to administer Terminated Employee Fund, with no cost to the Terminated Employee Fund or the Buyer (associated costs to be funded from the Administrative Expense Reserve).
- Terminated Employee Fund to be used exclusively for payment to Terminated Employees of a hardship benefit up to a maximum amount that is equal to each Terminated Employee’s statutory termination pay, and if applicable, statutory severance pay under the *Ontario Employment Standards Act, 2000* (“**Hardship Benefit**”), with the Hardship Benefit subject to a potential pro rata reduction as described below.
  - If total Hardship Benefits payable to Terminated Employees are less than the Terminated Employee Fund Amount, the Monitor will return the balance of the Terminated Employee Fund Amount to the Buyer as soon as reasonably practicable following the Terminate Date (as defined below).
  - If total Hardship Benefits payable to Terminated Employees exceeds the Terminated Employee Fund Amount, Hardship Benefit payments to Terminated Employees will be pro-rated based on their relative Hardship Benefit amounts.
  - In no event will a Terminated Employee receive more than their calculated Hardship Benefit from the Terminated Employee Fund.
  - All Hardship Benefits will be calculated by the Monitor in good faith based on Terminated Employee information provided by the Company and such calculations shall be final and non-appealable.
  - All Hardship Benefit payments shall be subject to all applicable withholdings, taxes and deductions as may be required by law.
- Any and all Hardship Benefit payments to Terminated Employees from the Terminated Employee Fund will be made by no later than (i) 60 days after the Closing Date; and (ii) the date that is 15 days following the Escrow Agent obtaining clearance from Employment and Social Development Canada to make all Hardship Benefit payments hereunder, and any amounts remaining in the Terminated Employee Fund after such date will be paid to Buyer or its designate within three Business Days following such date. Hardship Benefit payments shall be conditional on Terminated Employees executing a full and irrevocable release in favour of the Seller, Company, Buyer, Monitor and each of their respective affiliates, directors, officers, employees, agents and representatives in a form satisfactory to the Buyer.

- If clearance from Employment and Social Development Canada is not obtained within 120 days following the Closing Date (or such later date agreed to in writing by the Buyer and the Monitor, each in its sole discretion), then the entire Terminated Employee Fund shall be repaid to the Buyer promptly and no Terminated Employee shall be entitled to any Hardship Benefit.
- Terminated Employee Funder Order and Terminated Employee Fund Escrow Agreement to provide that Buyer and Monitor shall not be a successor or related employer, or otherwise liable in any way, in respect of Terminated Employees.

**SCHEDULE K**  
**TERMINATED EMPLOYEE FUND ORDER**

1389-0481-4603



Court File No. CV-23-00711401-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE

)

FRIDAY, THE 12<sup>TH</sup>

JUSTICE CAVANAGH

)

DAY OF APRIL, 2024

)

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the "**Applicants**")

**TERMINATED EMPLOYEE FUND ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, approving the CPL Terminated Employee Fund Escrow Agreement substantially in the form attached hereto as Schedule A (as may be amended, the "**Terminated Employee Fund Escrow Agreement**") to be entered into by and between AIP Elixir Buyer Inc., as depositor ("**Depositor**") and KSV Restructuring Inc., in its capacity as Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**"), as escrow agent ("**Escrow Agent**"), in connection with the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement (as may be amended, the "**Agreement**") between Contract Pharmaceuticals Limited, as seller, and AIP Elixir Buyer Inc., as buyer ("**Buyer**"), dated as of March [●], 2024, was heard this day by videoconference.

**ON READING** the Motion Record of the Applicants, including the affidavit of Jan Sahai

sworn March [●], 2024 and the Third Report of the Monitor dated March [●], 2024, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P., counsel for Royal Bank of Canada, and counsel for Export Development Canada, and such other counsel as were present, no one else appearing although duly served as appears from the affidavit of service of [●], sworn [●], 2024:

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Agreement or the Terminated Employee Fund Escrow Agreement, as applicable.

### **TERMINATED EMPLOYEE FUND APPROVALS AND RELATED RELIEF**

3. **THIS COURT ORDERS AND DECLARES** that the Terminated Employee Fund Escrow Agreement, substantially in the form attached hereto as Schedule A, is hereby approved, with such minor amendments as may be agreed to among the Applicants, the Buyer and the Monitor.
4. **THIS COURT ORDERS AND DECLARES** that the only persons who are eligible to receive a Hardship Benefit under the Terminated Employee Fund Escrow Agreement are the Terminated Employees. Forthwith following the Effective Time (as defined in the Approval and

Reverse Vesting Order of the Court made in the within proceedings of even date herewith): (a) the Monitor, in consultation with the Applicants and the Buyer, shall compile a list of the Terminated Employees, which list shall be determinative in establishing the “Terminated Employees” for the purposes of this Order and the Terminated Employee Fund Escrow Agreement, which for greater certainty shall be comprised of the Terminated Employees as defined in the Agreement; and (b) the Applicants shall provide the Monitor with all employment and payroll information for the Terminated Employees necessary for the Monitor to calculate and determine such Terminated Employees’ Hardship Benefits in accordance with the terms of the Terminated Employee Fund Escrow Agreement.

5. **THIS COURT ORDERS AND DECLARES** that the application process for the Hardship Benefit under the Terminated Employee Fund Escrow Agreement substantially as described at Schedule B to this Order, and the related forms appended thereto, including the Application Form to be completed and submitted and the form of Terminated Employee Release Agreement to be executed by Terminated Employees, are hereby approved.

6. **THIS COURT ORDERS AND DECLARES** that, without limiting the generality of the foregoing paragraphs 3 through 5, in order to be entitled to the payment of a Hardship Benefit from the Terminated Employee Fund, a Terminated Employee shall be required to (a) submit a completed Application Form to the Monitor and (b) execute and deliver a Terminated Employee Release Agreement to the Monitor, in each case on or before the Hardship Benefit Application Deadline, failing which such Terminated Employee shall be forever barred from receiving any

Hardship Benefit under, and shall have no further right or entitlement under or in connection with, the Terminated Employee Fund.

7. **THIS COURT ORDERS** that the Monitor shall post a notice of the Hardship Benefit Application Deadline on the Monitor's website forthwith following the determination of same.

8. **THIS COURT ORDERS** that the Monitor shall calculate the amount of each Terminated Employee's Hardship Payment in accordance with Section 2.1 of the Terminated Employee Fund Escrow Agreement and the Monitor's calculation of the Hardship Benefit for each Terminated Employee shall be final, binding and non-appealable.

9. **THIS COURT ORDERS AND DECLARES** that any Hardship Benefit paid to a Terminated Employee pursuant to the Terminated Employee Fund Escrow Agreement shall be subject to all applicable withholdings, taxes and deductions as may be required by law, and the Terminated Employee shall be responsible for all tax liability resulting from the receipt of all or any portion of the Hardship Benefit.

10. **THIS COURT DECLARES** that any Hardship Benefit paid to a Terminated Employee from the Terminated Employee Fund is a gratuitous payment offered by a third party with no relationship whatsoever to the Terminated Employee, and meant to provide financial assistance to Terminated Employees whose employment has or will be terminated in connection with these CCAA proceedings.

11. **THIS COURT ORDERS AND DECLARES** that that the Terminated Employee Fund Amount shall not constitute property of the Applicants, ResidualCo or their respective estates.

12. **THIS COURT ORDERS AND DECLARES** that the Monitor shall, as soon as reasonably practicable after the Hardship Benefit Determination Date, (a) make any required distribution of Hardship Benefits, and (b) deliver the Residual Balance, if any, to the Depositor or any other Person designated in a written direction of the Depositor, in each case in accordance with the Terminated Employee Fund Escrow Agreement and this Order.

13. **THIS COURT ORDERS AND DECLARES** that the Residual Balance, if any, shall constitute the sole and exclusive property of the Depositor and no Terminated Employee shall have any right, title or interest therein.

14. **THIS COURT ORDERS AND DECLARES** that if clearance from Employment and Social Development Canada to make the Hardship Benefit payments is not obtained within 120 days following the Closing Date (or such later date agreed to in writing by the Depositor and the Escrow Agent, each in its sole discretion), then the entire Terminated Employee Fund shall be immediately repaid to the Depositor and no Terminated Employee shall be entitled to any Hardship Benefit, in each case in accordance with the Terminated Employee Fund Escrow Agreement.

#### **MONITOR AUTHORIZATION**

15. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to execute the Terminated Employee Fund Escrow Agreement on the Closing Date.

16. **THIS COURT ORDERS** that the Monitor is authorized to act as the Escrow Agent under the Terminated Employee Fund Escrow Agreement and to take all such steps as may be necessary or incidental to carrying out such function, including as contemplated by the Terminated Employee Fund Escrow Agreement.

17. **THIS COURT ORDERS** that, without limitation to the terms of the ARIO and any other orders of this Court, the fees, costs and expenses of the Monitor (including in its capacity as Escrow Agent) and its counsel incurred in connection with carrying out the terms of this Order and the Terminated Employee Fund Escrow Agreement shall be paid from the Administrative Expense Reserve and shall be secured by the Administration Charge.

18. **THIS COURT DECLARES** that the Monitor shall incur no liability as a result of acting as Escrow Agent under the Terminated Employee Fund Escrow Agreement or carrying out the terms of this Order, including without limitation with respect to the determination of the list of Terminated Employees, the calculation of each Terminated Employee's Hardship Benefit, or the determination of each Terminated Employee's entitlement to the payment from the Terminated Employee Fund Amount, other than any liability arising out of or in connection with any gross negligence or wilful misconduct of the Monitor.

19. **THIS COURT ORDERS AND DECLARES** that no action lies against the Monitor (including in its capacity as Escrow Agent) by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court, and that in acting as Escrow Agent, the Monitor shall have all of the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, and the Monitor and its counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the ARIO and any other Order of this Court, and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out of the provisions of this Order.

20. **THIS COURT ORDERS AND DECLARES** that the distribution of Hardship Benefits contemplated herein shall not constitute a "distribution" by the Monitor and the Monitor shall not

constitute a “legal representative”, “representative” or a “responsible representative” of any of the Applicants or the Buyer or “other person” for the purposes of Section 159 of the *Income Tax Act* (Canada), section 117 of the *Taxation Act, 2007* (Ontario), Section 270 of the *Excise Tax Act* (Canada), Sections 46 and 86 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the “Statutes”), and the Monitor, in causing or assisting the distribution of Hardship Benefits in accordance with this Order is not “distributing”, nor shall it be considered to have “distributed”, such funds for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for causing or assisting the distribution of Hardship Benefits in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and the Monitor shall not have any liability for any of the Applicants’, ResidualCo’s or the Buyer’s tax liabilities, regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against the Monitor under or pursuant to the Statutes or otherwise at law arising as a result of the distribution of Hardship Benefits contemplated in this Order, and any claims of such nature are hereby forever barred.

21. **THIS COURT ORDERS** that, pursuant to subsection 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Applicants are authorized and permitted to disclose and transfer to the Monitor all human resources and payroll information in the Applicants’ records pertaining to the Terminated Employees. The Monitor shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it as necessary for purposes of performing its role as Escrow Agent under the Terminated Employee Fund Escrow Agreement.

## **DECLARATION RE: NON-EMPLOYER**

22. **THIS COURT DECLARES** that the Buyer and the Monitor (including in its capacity as Escrow Agent) and each of their respective assignees and affiliates shall not be deemed to be an employer or a common, related or successor employer of any Terminated Employee as a result of funding the Terminated Employee Fund Amount or otherwise as a result of any other matter pertaining to this Order or the Terminated Employee Fund Escrow Agreement, including carrying out the terms of this Order or the Terminated Employee Fund Escrow Agreement.

## **RELEASE**

23. **THIS COURT ORDERS AND DECLARES** that, effective upon the receipt of the Terminated Employee Fund Amount by the Monitor as Escrow Agent (the “**Effective Time**”), each of the Buyer, the Applicants (excluding, for the avoidance of doubt, ResidualCo) and the Monitor and each of their respective direct and indirect affiliates, associates, subsidiaries and parents, and all of their respective past and present shareholders, partners, directors, officers, employees, contractors, consultants, agents, representatives, trustees, administrators, lawyers, and insurers (all of the foregoing being collectively referred to herein as the “**Releasees**”) be and are hereby released and forever discharged of and from all manner of actions, causes of action, suits, proceedings, obligations, liabilities, administrative complaints, contracts, claims and demands whatsoever in any jurisdiction which any of the Terminated Employees has, ever had or may have, against any of the Releasees by reason of any cause, matter or thing whatsoever existing up to the Effective Time, or such later time as the Terminated Employee Fund Escrow Agreement is fully administered, whether known or unknown, foreseen or unforeseen, contingent or non-contingent, including all claims in law or equity and all claims for contribution or indemnity (collectively,



“**Claims**” and each a “**Claim**”), and particularly and without limiting the generality of the foregoing, from all Claims of every nature and kind in any way related to or arising from: (i) a Terminated Employee’s engagement in any capacity with any of the Applicants or the termination of such engagement, whether as an employee or independent contractor, or from any employment or other agreement between an Terminated Employee and any of the Applicants, and specifically including all damages, salary, wages, remuneration, commission, vacation pay, overtime pay, termination pay, severance pay, taxes, notice of termination, change of control, retention or similar payments, benefits, profit-sharing, life, medical, pension or retiree benefits (contractual, statutory, common law or otherwise), employee stock options, equity-based compensation (including cashless exercise thereof) or other equity incentives, bonuses, proceeds of any insurance or disability plans, or any other fringe benefit, perquisite or compensation of any kind whatsoever; (ii) the Transaction, including any Claim against the Buyer or any of its affiliates that such entity is, as a result of the Transaction, an employer of a Terminated Employee or a common, related or successor employer to any of the Applicants, or that any Terminated Employee was or is entitled to be employed or engaged in any capacity by the Buyer or the Applicants following the Effective Time; (iii) the conduct of the restructuring proceedings of the Applicants under the CCAA; or (iv) the administration of the Terminated Employee Fund under the Terminated Employee Fund Escrow Agreement, including by the Monitor in respect of its Escrow Agent responsibilities and functions under the Terminated Employee Fund Escrow Agreement and with respect to the funding or administration thereof or any payment made pursuant thereto; provided that nothing in this paragraph 23 shall waive, discharge, release, cancel or bar any Claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA or is determined by a court of competent jurisdiction to have constituted actual fraud or wilful misconduct. Notwithstanding the foregoing,

nothing in this paragraph 23 shall release or discharge: (a) any right of a Terminated Employee to continue receiving benefits from any insurer with respect to any previously filed claims by a Terminated Employee, all subject to the terms and conditions of the applicable plans, policies or programs and solely to the extent of available insurance without recourse to any of the Releasees by the insurer; and (b) any right of a Terminated Employee to receive benefits from any governmental authority, including, without limitation, under or in respect of workers' compensation, the *Wage Earner Protection Program Act* (Canada), long-term disability insurance or employment insurance.

## **GENERAL**

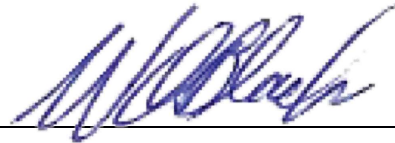
24. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

25. **THIS COURT DECLARES** that the Monitor and the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order and, without limitation to the foregoing, an order under Chapter 15 of the *United States Bankruptcy Code*. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and/or the Monitor as may be deemed necessary or appropriate for that purpose.

26. **THIS COURT REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are

hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

27. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date hereof and is enforceable without any need for entry and filing.



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**SCHEDULE A**  
**TERMINATED EMPLOYEE FUND ESCROW AGREEMENT**

*Attached.*

## TERMINATED EMPLOYEE FUND ESCROW AGREEMENT

THIS ESCROW AGREEMENT dated the [●] day of [●], 2024.

### BETWEEN:

**AIP ELIXIR BUYER INC.**

(“**Depositor**”)

- and -

**KSV RESTRUCTURING INC. solely in its capacity as Monitor of Contract Pharmaceuticals Limited *et al.* and not in its personal or corporate capacity**

(“**Escrow Agent**”)

### WHEREAS:

- A. The Applicants (as defined below) have commenced proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”).
- B. KSV Restructuring Inc. (“**KSV**”) was appointed as monitor (in such capacity, the “**Monitor**”) of the Applicants by the CCAA Court.
- C. Pursuant to the sale and investment solicitation process approved by the CCAA Court on December 22, 2023, Depositor and Contract Pharmaceuticals Limited entered into a share purchase agreement made as of March [●], 2024 (as may be amended, the “**Sale Agreement**”) whereby Depositor, an affiliate of Aterian Investment Partners IV, LP, has agreed to purchase all of the issued and outstanding shares in the capital of CPL Canada Holdco Limited (the “**Transaction**”).
- D. In accordance with the terms of the Sale Agreement, Depositor has agreed to fund to Escrow Agent an amount equal to CAD \$500,000<sup>1</sup> (the “**Terminated Employee Fund Amount**”), and, in accordance with this Escrow Agreement and the Terminated Employee Fund Order (as defined below), Escrow Agent will establish a fund (the “**Terminated Employee Fund**”) for the benefit of the Terminated Employees (as defined in the Sale Agreement). The Terminated Employee Fund is intended to provide financial assistance to such Terminated Employees on a gratuitous, without prejudice basis, subject to the limitations set forth and in accordance with the terms and conditions of this Escrow Agreement.

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<sup>1</sup> **NTD:** This amount may be updated before signing if Buyer determines, in its sole and absolute discretion, to increase the fund.

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E. Pursuant to the Terminated Employee Fund Order granted on [April 12, 2024] (the “**Terminated Employee Fund Order**”), the Monitor was appointed to act as Escrow Agent for the purposes of this Escrow Agreement in accordance with the terms and conditions contained herein and the Terminated Employee Fund Order.

**NOW THEREFORE** in consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), it is agreed and declared as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

Where used in this Escrow Agreement, including in the Recitals, the following terms shall have the following meanings:

“**Administrative Expense Reserve**” has the meaning ascribed to such term in the Sale Agreement as of the date of this Escrow Agreement, which for greater certainty shall be in the amount of \$750,000.

“**Applicants**” means Contract Pharmaceuticals Limited, CPL Canada Holdco Limited, Contract Pharmaceuticals Limited Canada, Glasshouse Pharmaceuticals Limited Canada and Glasshouse Pharmaceuticals LLC.

“**Application Form**” has the meaning ascribed to such term in Section 2.1(b).

“**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Toronto, Ontario and New York, New York are open for commercial banking business during normal banking hours.

“**CCAA**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**CCAA Court**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Claim**” means any and all actual or threatened claims, actions, suits, applications, litigation, charges, complaints, prosecutions, assessments, reassessments, investigations, inquiries, hearings and other proceedings, whether civil, criminal, administrative, regulatory, arbitral or otherwise.

“**Closing Date**” means the date on which the transactions contemplated in the Sale Agreement close, being the date hereof.

“**Depositor**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Escrow Agent**” means KSV solely in its capacity as Monitor and not in its personal or corporate capacity.

“**Escrow Agent Fees and Expenses**” has the meaning ascribed to such term in Section 5.1.

“**Escrow Agent Indemnified Parties**” has the meaning ascribed to such term in Section 5.6.

“**Escrow Agreement**” means this Escrow Agreement, as amended or supplemented from time to time pursuant to the terms hereof established for the benefit of the Terminated Employees.

“**Governmental Authority**” means any applicable transnational, federal, provincial, municipal, state, local, national or other government, regulatory authority, governmental department, agency, commission, board, tribunal, bureau, ministry, court, system operator, judicial body, arbitral body or other law, rule or regulation-making entity, or any entity, officer, inspector, investigator or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, or exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power.

“**Hardship Benefit**” has the meaning ascribed to such term in Section 2.1(c).

“**Hardship Benefit Application Deadline**” means 5:00 pm (Toronto Time) on the date that is 40 days after the Closing Date.

“**Hardship Benefit Determination Date**” means the later of (i) 60 days after the Closing Date and (ii) the date that is 15 days following the Escrow Agent obtaining clearance from Employment and Social Development Canada to make all Hardship Benefit payments hereunder.

“**KSV**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Law**” or “**Laws**” means applicable laws of any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including common law and civil law), statute, ordinance, rule, regulation, restriction, limit, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, governmental authorizations, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Escrow Agreement.

“**Monitor**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Party**” or “**Parties**” means individually or collectively, as the case may be, Depositor and Escrow Agent.

“**Paying Agent**” has the meaning ascribed to such term in Section 2.2(b).

“**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity, however designated or constituted.

“**Residual Balance**” has the meaning ascribed to such term in Section 7.1.

“**Sale Agreement**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Scheduled Canadian Bank**” means a bank listed on Schedule I of the *Bank Act* (Canada).

“**Terminated Employee**” has the meaning ascribed to such term in the Sale Agreement.

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“**Terminated Employee Fund**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Terminated Employee Fund Amount**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Terminated Employee Fund Order**” has the meaning ascribed to such term in the Recitals to this Escrow Agreement.

“**Terminated Employees List**” has the meaning ascribed to such term in the Section 2.1(a).

## **1.2 Headings, etc.**

The provision of a table of contents, the division of this Escrow Agreement into articles and sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Escrow Agreement.

## **1.3 Articles; Sections; etc.**

Reference to articles, sections or other parts of this Escrow Agreement are to the specified article, section or part.

## **1.4 Gender; Singular/Plural**

References to gender include all genders and, except where the context otherwise requires, the singular includes the plural and vice versa.

## **1.5 Certain Phrases, etc.**

In this Escrow Agreement, unless otherwise expressly stated (a) the words “including” and “includes” mean “including (or includes) without limitation”, (b) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”, and (c) the words “hereafter”, “hereby”, “herein”, “hereof”, “hereunder” and “herewith” refer to the entire Agreement, not just a particular article or section.

## **1.6 Business Day**

Any action or payment required or permitted to be taken or made hereunder on a day which is not a Business Day may be taken or made on the next succeeding Business Day.

## **1.7 Recitals**

The Recitals to this Escrow Agreement are true and correct.



## ARTICLE 2 PAYMENT OF TERMINATED EMPLOYEE HARDSHIP BENEFITS

### 2.1 Procedure

- (a) The Depositor will provide a list of Terminated Employees to the Escrow Agent (which shall be the Terminated Employees as defined in the Sale Agreement), and the Escrow Agent will supplement such list with additional information provided by Contract Pharmaceuticals Limited Canada, including the name, direct-deposit banking information, mailing and email address (to the extent available) of the Terminated Employees, as may be necessary to discharge its duties hereunder (together, the “**Terminated Employees List**”). The Escrow Agent shall provide the final Terminated Employees List (without direct-deposit banking information or mailing and email addresses) to the Depositor. In no event shall any individuals be added or subtracted from the Terminated Employees List, other than by the Depositor in accordance with the Sale Agreement.
- (b) The Terminated Employee Fund Order established an application process, which requires Terminated Employees to (i) submit a completed application form (which shall include the necessary information for the processing of payments of the Hardship Benefits) (the “**Application Form**”) substantially in the form attached hereto as Exhibit “A” and (ii) execute a release and discharge of Claims substantially in the form appended hereto as Exhibit “B” (the “**Terminated Employee Release Agreement**”). As soon as reasonably practicable and in any event no longer than 10 days after the Closing Date, the Escrow Agent shall send a copy of the Application Form and the form of Terminated Employment Release Agreement to each Terminated Employee, which may be sent by email, regular mail or courier, in the Escrow Agent’s sole discretion. For purposes of clarity and subject to Section 2.1(a), Escrow Agent’s role in the application process as described in this Section 2.1(b) will be limited to confirming that each Terminated Employee applying for a Hardship Benefit has submitted a properly completed Application Form and executed and delivered a Terminated Employee Release Agreement. The Escrow Agent shall be entitled to rely on the information, as provided by Contract Pharmaceuticals Limited Canada, set forth on the Terminated Employees List.
- (c) Each Terminated Employee who delivers a duly completed Application Form and an executed Terminated Employee Release Agreement to Escrow Agent on or before the Hardship Benefit Application Deadline shall be entitled to receive a hardship benefit up to a maximum amount that is equal to the minimum applicable statutory termination pay, and if applicable, statutory severance pay owing to such Terminated Employee under the *Ontario Employment Standards Act, 2000* (the “**Hardship Benefit**”), subject to a potential *pro rata* reduction as described below. If total Hardship Benefits payable to all Terminated Employees is less than the Terminated Employee Fund Amount, the amount of the Hardship Benefit for each Terminated Employee will be payable in full to each such Terminated Employee. If total Hardship Benefits payable to all Terminated Employees exceeds the Terminated Employee Fund Amount, Hardship Benefit payments to Terminated

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Employees will be pro-rated based on their relative Hardship Benefit amounts as a percentage of the total Terminated Employee Fund Amount and the amount of the Hardship Benefit payable to each Terminated Employee will be reduced accordingly.

- (d) The Hardship Benefit payable to each Terminated Employee shall be calculated by the Escrow Agent in good faith solely based on Terminated Employee information provided by Contract Pharmaceuticals Limited Canada within two Business Days following the Closing Date (which Depositor shall have had a reasonable opportunity to review and comment on) and such calculations shall be final, binding and non-appealable. In no event will a Terminated Employee receive more than their calculated Hardship Benefit from the Terminated Employee Fund.
- (e) The Hardship Benefit payable to each Terminated Employee shall be subject to all applicable withholdings, taxes and deductions, as may be required by Law. Under no circumstances may a Terminated Employee transfer his or her entitlement to a Hardship Benefit to another Person. For the avoidance of doubt, the Hardship Benefit is a gratuitous payment and shall not be paid, or deemed to be paid, in exchange for services rendered or as the result of employment or the termination thereof.
- (f) Buyer and Monitor and each of their respective assignees and affiliates shall not be deemed to be an employer or a common, related, or successor employer of any Terminated Employee as a result of funding the Terminated Employee Fund Amount or otherwise liable as a result of any other matter pertaining to the Escrow Agreement.

## 2.2 Payment of Hardship Benefit to Terminated Employees

- (a) As soon as reasonably practicable following the Hardship Benefit Determination Date, the Escrow Agent shall cause the Hardship Benefit payments calculated and determined in accordance with Section 2.1, net of all applicable withholdings, taxes and deductions as may be required by Law, to be paid to each Terminated Employee who has complied with Section 2.1(c) hereof.
- (b) At the sole discretion of the Escrow Agent (but following consultation with the Depositor and Contract Pharmaceuticals Limited Canada), each Hardship Benefit payable to a Terminated Employee pursuant to this Section 2.2 may be delivered by or at the direction of Escrow Agent to an entity designated by Depositor and acceptable to the Escrow Agent (which may include a services company engaged by Depositor or an affiliate thereof) (the “**Paying Agent**”), and the Paying Agent shall be responsible for processing, or causing to be processed, all amounts received hereunder, including (i) withholding, deducting and remitting any authorized or required withholdings, taxes and deductions to Government Authorities or other third-parties from the Hardship Benefit, in each case as may be required by Law, and (ii) paying the net Hardship Benefit amount to the Terminated Employees. Where applicable, the Paying Agent shall also provide the Terminated Employees with slips or other prescribed tax documents in accordance with its customary

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practices showing the amounts that were withheld or deducted pursuant to this Section and as may be required by Law. Where applicable, the determination of the applicable withholdings, taxes and deductions required by Law with respect to the Hardship Benefit, in each case, shall be made by the Paying Agent, in consultation with Escrow Agent, and both the Paying Agent and Escrow Agent shall be entitled to rely on the books and records and the custom and past practice of the Applicants to the extent applicable and, for the avoidance of doubt, shall have no responsibility or liability of any kind for any failure to correctly withhold or pay such applicable withholdings, taxes and deductions except to extent the failure is attributable to gross negligence or wilful misconduct.

### **ARTICLE 3 THE ESCROW ACCOUNT**

#### **3.1 Creation of Escrow Account**

Depositor shall, on the Closing Date, remit to the Escrow Agent the Terminated Employee Fund Amount with Escrow Agent. Escrow Agent accepts and agrees to hold the Terminated Employee Fund Amount as provided for in, and subject to and in accordance with the terms of this Escrow Agreement and the Terminated Employee Fund Order. Escrow Agent agrees to distribute and deal with the Terminated Employee Fund Amount, and at all times agrees to keep the Terminated Employee Fund Amount segregated from the property and assets of Escrow Agent and any other account of which Escrow Agent may serve as escrow agent, trustee or custodian, and in one or more segregated accounts, on the terms and subject to the conditions hereof.

#### **3.2 Escrowed Funds**

The Terminated Employee Fund Amount shall not, prior to the Hardship Benefit Determination Date, revert to or be applied for the benefit of Depositor but shall be applied for the exclusive benefit of the Terminated Employees in accordance with the terms hereof.

#### **3.3 Escrow Account**

Pending disbursement of the Terminated Employee Fund Amount in accordance with the terms hereof, the Escrow Agent shall hold the Terminated Employee Fund Amount in an-interest bearing account, with interest accruing to the benefit of, and to be paid to, the Depositor.

### **ARTICLE 4 ADDITIONAL COVENANTS**

#### **4.1 No Escrow Agent Liability for Insufficient Funds**

Escrow Agent shall not be liable to any Person (including any Terminated Employee or Depositor) in the event that the Terminated Employee Fund Amount is insufficient to pay in full or in part the Hardship Benefits to the Terminated Employees.

## **4.2 No Additional Contributions from Depositor/No Liability for Depositor**

For the avoidance of doubt, notwithstanding any other provision of this Escrow Agreement to the contrary, except for the Terminated Employee Fund Amount, Depositor shall not, under any circumstance, be under any obligation to provide or contribute any money, property or value hereunder for the benefit of Escrow Agent, any Terminated Employee or any other Person in respect of any Claim or otherwise, and for greater certainty no Terminated Employee shall be entitled to assert any Claim against Depositor with respect to any such amount. Except for funding the Terminated Employee Fund Amount to Escrow Agent in accordance with the terms hereof, Depositor shall have no liability to any Person (including any Terminated Employee) under or in connection with this Escrow Agreement.

## **ARTICLE 5 THE ESCROW AGENT**

### **5.1 Fees and Expenses of the Escrow Agent**

All reasonable fees, expenses and disbursements incurred by the Monitor for acting as Escrow Agent hereunder (collectively, the “**Escrow Agent Fees and Expenses**”), including legal, accounting, tax or other advice which Escrow Agent, in its judgment, acting reasonably, may consider necessary for the proper discharge of its duties hereunder, shall be funded from the Administrative Expense Reserve.

### **5.2 Termination and Replacement**

- (a) The Monitor may only resign or be replaced as Escrow Agent hereunder pursuant to an order of the CCAA Court, which order of the CCAA Court shall also include the appointment of a replacement Escrow Agent.
- (b) Any Person appointed as a replacement Escrow Agent by the CCAA Court pursuant to Section 5.2(a) shall, upon acceptance of such appointment, be vested with the remaining amount of the Terminated Employee Fund Amount and with all the trusts, powers, mandates, authorities, duties and obligations herein contained, without further assignment, transfer or conveyance of any kind or any order of any court or tribunal whatsoever as if such Person were an original party to this Escrow Agreement.
- (c) All instruments in writing relating to the appointment of replacement Escrow Agents shall be attached to this Escrow Agreement and shall be sufficient evidence of the facts to which such instruments relate.

### **5.3 Accounting**

Escrow Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Escrow Agent hereunder and the receipt and disbursement of the Terminated Employee Fund Amount, and shall provide to Depositor records and written statements thereof periodically upon reasonable request of Depositor or an order of the CCAA Court.

#### **5.4 Liability of Escrow Agent**

- (a) The parties hereto acknowledge and agree that the Escrow Agent acts hereunder as an escrow agent only. The Escrow Agent: (i) shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, for the form or execution of such instruments, for the identity, authority or right of any person or party executing or depositing such instruments or for determining or compelling compliance therewith, and shall not otherwise be bound thereby; (ii) shall be obligated only for the performance of such duties as are expressly and specifically set forth in this Escrow Agreement on its part to be performed, and no implied duties or obligations of any kind shall be read into this Escrow Agreement against or on the part of the Escrow Agent and the Escrow Agent will have no duty or responsibility arising under any other agreement, including any agreement referred to in this Escrow Agreement, to which the Escrow Agent is not a party; (iii) shall not be required to take notice of any default or to take any action with respect to such default involving any expense or liability, unless notice in writing of such default is formally given to the Escrow Agent, and unless it is indemnified and funded, in a manner satisfactory to it, against such expense or liability; (iv) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction (including, without limitation, wire transfer instructions, whether incorporated herein or provided in a separate written instruction), instrument, statement, certificate, request or other document furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper person, and shall have no responsibility for determining the accuracy thereof; and, (v) may employ and consult counsel satisfactory to it and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion of such counsel.
- (b) The Escrow Agent may employ such counsel, accountants, appraisers, other experts, agents, agencies and advisors as it may reasonably require for the purpose of discharging its duties under this Escrow Agreement, and the Escrow Agent may act, or not act, and shall be protected in acting, or not acting, in good faith on the opinion or advice or on information obtained from any such parties and shall not be responsible for any misconduct on the part of any of them.
- (c) The Escrow Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation that complies with the terms of this Escrow Agreement.
- (d) No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur financial liability in the performance of its duties or the exercise of any of its rights or powers. The Escrow Agent may recover from the Administrative Expense Reserve the costs and expenses reasonably incurred by the Escrow Agent in the course of its services hereunder, in connection with the administration of the escrow created hereby or in the performance or observance of its duties hereunder (including the reasonable fees and disbursements of its counsel and other advisors required for discharge of its duties hereunder).

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- (e) In performing the obligations hereof and in exercising its powers hereunder, Escrow Agent may act in its discretion and, provided Escrow Agent has acted honestly, Escrow Agent shall not be liable, answerable or accountable for any Claims resulting from the exercise of a discretion, error in judgment, or the refusal to exercise a discretion, including, for greater certainty, with respect to the issuance of any tax assessment, the withholding or remittance of any deductions at source, in good faith and in the exercise of its reasonable judgment. Escrow Agent shall only be liable, answerable and accountable for its own gross negligence or wilful misconduct.
- (f) Escrow Agent is liable, answerable and accountable only for money actually received by such Escrow Agent, even though Escrow Agent has signed a receipt or other instrument for the sake of conformity. The Escrow Agent is not liable, answerable or accountable for the actions, inactions, receipts, negligence, defaults, dishonesty, fraud or wilful misconduct of any other escrow agent, or of any other Person having custody of or control over any part of the Terminated Employee Fund Amount and is not liable, answerable or accountable for any loss of money or security for money unless the same happens through the Escrow Agent's own gross negligence or wilful misconduct. Honesty and good faith shall be presumed in favour of Escrow Agent unless such presumption is rebutted.
- (g) Subject to its obligations hereunder to Depositor and to the Terminated Employees with respect to the Terminated Employee Fund Amount and subject to the terms of the Terminated Employee Fund Order, the Escrow Agent shall have no liability to any other Person arising from commitments in this Escrow Agreement or contractual relationships arising out of its position as Escrow Agent. Escrow Agent is authorized to require any such commitment or contractual relationship to include a provision confirming the foregoing sentence to Escrow Agent, the Terminated Employees or any other Person with respect to the performance of the responsibilities of Escrow Agent hereunder, except for damages that may be caused by the gross negligence or wilful misconduct of Escrow Agent.
- (h) Depositor acknowledges and agrees that KSV is entering into this Escrow Agreement solely in its capacity as Monitor, including with the rights and protections afforded to the Monitor under the CCAA, pursuant to the orders made by the CCAA Court or otherwise as an officer of the CCAA Court, and KSV shall have absolutely no personal or corporate liability under or as a result of this Escrow Agreement in any respect.

## **5.5 Acceptance of Obligations**

Escrow Agent hereby accepts the covenants and obligations in this Escrow Agreement declared and provided for and agrees to perform the same upon the terms and conditions herein set forth, and to hold and exercise the rights, privileges and benefits conferred upon Escrow Agent hereby for the benefit of the Terminated Employee having an interest in the Terminated Employee Fund Amount.

## **5.6 Indemnification**

Escrow Agent and its directors, officers, employees and agents (collectively, the “**Escrow Agent Indemnified Parties**”) shall be indemnified and held harmless out of the Administrative Expense Reserve from and against all Claims against the Escrow Agent Indemnified Parties arising in any manner out of or in connection with this Escrow Agreement, including, for greater certainty, with respect to the issuance of any tax assessment, the withholding or remittance of any deductions at source and the collection or remittance of any sale taxes by Escrow Agent, except (x) to the extent that the same is attributable to the gross negligence or wilful misconduct of any Escrow Agent Indemnified Parties and (y) any income taxes payable by Escrow Agent with respect to the Escrow Agent Fees and Expenses. For certainty, the Depositor acknowledges that the Escrow Agent, in its capacity as the Monitor, shall have recourse against the amounts in the Administrative Expense Reserve to recover the amount of any Claims made against the Escrow Indemnified Parties for which they are indemnified hereunder. Subject to the foregoing, this entitlement to indemnification includes expenses incurred by Escrow Agent in enforcing its rights to indemnification hereunder. If Escrow Agent resigns, or is replaced, in accordance with the terms of this Escrow Agreement, such former Escrow Agent (and the other Escrow Agent Indemnified Parties) shall continue to be entitled to indemnification under this Section 5.6 with respect to any Claims that relate to, arise from or are based on such former Escrow Agent’s service as Escrow Agent. The indemnification provided for in this Section 5.6 shall survive termination of this Escrow Agreement. For the avoidance of doubt, none of the Escrow Agent Indemnified Parties shall be entitled to indemnity from the Terminated Employee Fund Amount.

## **5.7 Professional Advisors**

If acting in good faith, Escrow Agent may rely upon the opinion, information or advice of any counsellor or any other independent expert or advisor retained by Escrow Agent and shall not be responsible for any loss resulting from any action or inaction taken in good faith in reliance upon such opinion, information or advice.

## **5.8 Application to Court**

The Depositor or Escrow Agent may apply to the CCAA Court at any time and from time to time for advice and direction in connection with any aspect of this Escrow Agreement and the administration of the Terminated Employee Fund Amount and, in the case of Escrow Agent, the performance of any of its duties and responsibilities hereunder, including, without limitation, the appointment of a replacement Escrow Agent in accordance with the terms of Section 5.2 of this Escrow Agreement.

## **5.9 Incidental Rights**

In addition to all other powers conferred upon it by the other provisions hereof or by any Law, Escrow Agent shall have the following powers, authorities and discretion:

- (a) to exercise all rights incidental to the custody of the Terminated Employee Fund Amount; and

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- (b) any other power granted to Escrow Agent pursuant to a written authorization executed by Depositor and accepted in writing by the Escrow Agent.

## **ARTICLE 6 BANKING**

### **6.1 Bank Selection**

The banking activities of Escrow Agent in respect of the Terminated Employee Fund Amount, or any part thereof, shall be transacted with such Scheduled Canadian Bank as Escrow Agent may designate, appoint or authorize, in writing, from time to time.

### **6.2 Banking Activities**

Escrow Agent may:

- (a) open, operate and maintain any one or more account(s) at such Scheduled Canadian Bank, as designated;
- (b) execute any services or account operation agreements relating to any such account(s) as may be required; and
- (c) deposit or transfer any cash, cheques, drafts, or other bills of exchange to the credit of any such account(s).

## **ARTICLE 7 TREATMENT OF RESIDUAL BALANCE AND FAILURE TO OBTAIN CLEARANCE FROM EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA**

### **7.1 Treatment of Residual Balance**

As soon as reasonably practicable following the Hardship Benefit Determination Date, the Escrow Agent shall deliver the amount, if any, remaining from the Terminated Employee Fund Amount after all Hardship Benefit payments are made pursuant to Article 2 hereof (such remaining amount being, the “**Residual Balance**”) to Depositor or any other Person designated in a written direction of Depositor. The Residual Balance, if any, shall constitute the sole and exclusive property of Depositor and no Terminated Employee shall have any right, title or interest therein. Automatically upon either (a) the full distribution of the Terminated Employee Fund Amount to the Terminated Employee in accordance with Article 2 hereof or (b) the return of the Residual Balance to the Depositor in accordance with this Article 7, this Escrow Agreement shall terminate and the Escrow Agent shall have no further duties and obligations of any kind whatsoever.

### **7.2 Failure to Obtain Clearance from Employment and Social Development Canada**

Notwithstanding any other provision hereof, if clearance from Employment and Social Development Canada is not obtained within 120 days following the Closing Date (or such later date agreed to in writing by the Depositor and the Escrow Agent, each in its sole discretion), then the entire Terminated Employee Fund shall be immediately repaid to the Depositor and no Terminated Employee shall be entitled to any Hardship Benefit hereunder. For the avoidance of



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doubt, notwithstanding any repayment as contemplated in this Section 7.2, Depositor shall not, under any circumstance, be under any obligation to provide or contribute any additional money, property or value hereunder for the benefit of for the benefit of Escrow Agent, any Terminated Employee or any other Person in respect of any Claim or otherwise, and for greater certainty no Terminated Employee shall be entitled to assert any Claim against Depositor with respect to any such amount.

## **ARTICLE 8 OTHER MATTERS**

### **8.1 Governing Law**

- (a) This Escrow Agreement shall be governed and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein.
- (b) To the fullest extent permitted by applicable Law, each Party: (i) agrees that any claim, action or proceeding by such Party seeking any relief whatsoever arising out of, or in connection with, this Escrow Agreement, or the matters contemplated hereby shall be brought only before the CCAA Court; (ii) agrees to submit to the jurisdiction of the CCAA Court pursuant to the preceding clause (i) for purposes of all legal proceedings arising out of, or in connection with, this Escrow Agreement or the matters contemplated hereby; (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of such action brought in any such court or any claim that any such action brought in such court has been brought in an inconvenient forum; (iv) agrees that the mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8.10 or any other manner as may be permitted by Law shall be valid and sufficient service thereof; and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

### **8.2 Assignment**

Subject to Section 5.2, the rights and obligations under this Escrow Agreement may not be assigned by Escrow Agent without the prior consent in writing of Depositor, which will not be unreasonably withheld. This Escrow Agreement shall be binding upon and enure to the benefit of the Parties and their respective heirs, estates, administrators, executors, legal personal representatives, successors and permitted assigns.

### **8.3 No Waiver, etc.**

- (a) No waiver of any of the provisions of this Escrow Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.
- (b) No failure on the part of any Party to exercise, and no delay in exercising any right under this Escrow Agreement shall operate as a waiver of such right, nor shall any

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single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

#### **8.4 Entire Agreement**

This Escrow Agreement constitutes the entire agreement among the Parties with respect to the issues contemplated herein and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of such Parties. There are no conditions or other agreements, express or implied, collateral, statutory or otherwise, among the Parties in connection with the subject matter of this Escrow Agreement, except as specifically set forth herein, and the Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Escrow Agreement.

The Escrow Agreement constitutes the sole agreement that may be used for the purposes of interpreting the Parties' intent in establishing the Terminated Employee Fund.

#### **8.5 Severability**

If any provision of this Escrow Agreement shall be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Escrow Agreement and the remaining provisions shall remain in full force and effect. The Parties shall endeavour in good faith negotiations to replace the illegal, invalid or unenforceable provision with a valid provision which comes closest to the intention of Depositor underlying the illegal, invalid or unenforceable provision.

#### **8.6 Further Assurances**

Depositor and Escrow Agent shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may be reasonably necessary or desirable for the purpose of carrying out the provisions and intent of this Escrow Agreement.

#### **8.7 Counterparts; Electronic Signatures**

This Escrow Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Escrow Agreement may be made by facsimile signature or by electronic image scan which, for all purposes, shall be deemed to be an original signature.

#### **8.8 Third Party Beneficiaries**

Nothing in this Escrow Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Escrow Agreement on any persons other than Depositor, the Terminated Employees, Escrow Agent and their respective heirs, estates, administrators, executors, legal representatives, successors and permitted assigns, nor is anything in this Escrow Agreement intended to relieve or discharge the obligation or liability of any third party to Depositor, Escrow Agent or the Terminated Employees, nor shall any provision give any third party any right of subrogation or action against any Party to this Escrow Agreement, nor shall any

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provision limit the rights of Depositor, Escrow Agent or the Terminated Employees to assert any claims, counterclaims or defences against any third party.

### **8.9 No Obligation to Pay Indemnities Prohibited by Law**

Notwithstanding anything contained herein, Escrow Agent shall not pay any Hardship Benefits to Terminated Employees hereunder if the payment of such amount would be prohibited under applicable Law.

### **8.10 Notice**

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Escrow Agreement will be in writing and will be effective and deemed given under this Escrow Agreement on the earliest of: (a) the date of personal delivery; (b) the date of transmission e-mail, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (c) two (2) days after deposit with a nationally-recognized courier or overnight service such as Federal Express (FedEx); or (d) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by e-mail will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

- (a) AIP Elixir Buyer Inc.  
c/o Aterian Investment Partners IV, LP  
550 Fifth Avenue, 8th Floor  
New York, NY 10036  
Attention: Christopher H. Thomas / Jay Taunk  
E-mail: cthomas@aterianpartners.com / jtaunk@aterianpartners.com

With a copy that shall not constitute notice to:

Osler, Hoskin & Harcourt LLP  
First Canadian Place

- 16 -

100 King St. W Suite 6200  
Toronto, ON M5X 1B8

Attention: Marc Wasserman / Tracy Sandler / Justin Sherman  
E-mail: mwasserman@osler.com / tsandler@osler.com /  
jsherman@osler.com

and

Kirkland & Ellis LLP  
300 N La Salle Dr  
Chicago, IL 60654

Attention: Adam M. Wexner, P.C. / Steve Toth  
Email: adam.wexner@kirkland.com / steve.toth@kirkland.com

(b) KSV Restructuring Inc.  
220 Bay Street, 13th Floor  
PO Box 20  
Toronto, ON M5H 0B4

Attention: Noah Goldstein / Ross Graham  
Email: ngoldstein@ksvadvisory.com / rgraham@ksvadvisory.com

With a copy that shall not constitute notice to:

Cassels, Brock & Blackwell LLP  
Bay Adelaide Centre  
40 Temperance Street, Suite 3200  
Toronto, ON M5H 0B4

Attention: Ryan C. Jacobs / Joseph Bellissimo  
E-mail: rjacobs@cassels.com / jbellissimo@cassels.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

### **8.11 Survival**

The provisions of Sections 4.1, 4.2, 5.4, 5.6, Article 7 and Article 8 shall survive the termination of this Escrow Agreement and shall continue for the benefit of the Parties.

*[SIGNATURE PAGE FOLLOWS]*

**IN WITNESS WHEREOF** this Escrow Agreement has been executed as of the date first written above.

**AIP ELIXIR BUYER INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**KSV RESTRUCTURING INC.**, solely in its capacity as CCAA Court appointed Monitor of Contract Pharmaceuticals Limited *et al.* and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**

**APPLICATION FORM**

[ATTACHED]

LEGAL\_1:85521775.4

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT  
PROCEEDINGS OF CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO  
LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC  
(collectively, "CPL")**

**HARDSHIP BENEFIT APPLICATION FORM OF [FULL NAME OF THE INDIVIDUAL]**

**ESTIMATED HARDSHIP BENEFIT: CAS ●**

[www.ksvadvisory.com/experience/case/cpl](http://www.ksvadvisory.com/experience/case/cpl)

*A court has authorized this notice. This is not a solicitation from a lawyer.*

**You have been identified as a potential recipient of a hardship benefit payable from an escrow fund established in the *Companies' Creditors Arrangement Act* proceedings of CPL. You are required to fill out, sign and deliver this Application Form and a release in order to be eligible to receive the hardship benefit under the fund. Please read this notice and the referenced documents carefully. It may affect your rights.**

**This is a time sensitive notice. The deadline to deliver the signed Application Form and release in order to receive a hardship benefit is 5:00 pm (Toronto time) on [date], 2024.**

On December 15, 2023, Contract Pharmaceuticals Limited and its affiliates commenced proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") before the Ontario Superior Court of Justice (Commercial List) ("**CCAA Court**") and KSV Restructuring Inc. was appointed as monitor (the "**Monitor**").

Pursuant to the sale and investment solicitation process approved by the CCAA Court on December 22, 2023, the Seller and AIP Elixir Buyer Inc. (the "**Buyer**") entered in an Share Purchase Agreement made as of March ●, 2024 (as may be amended, the "**Agreement**") whereby the Buyer, an affiliate of Aterian Investment Partners IV, LP, has agreed to purchase all of the issued and outstanding shares in the capital of CPL Canada Holdco Limited.

In accordance with the terms of the Agreement, the Buyer has agreed to fund to the Monitor an amount equal to \$500,000<sup>1</sup> (the "**Terminated Employee Fund Amount**") and the Monitor will establish a fund (the "**Terminated Employee Fund**") pursuant to the Terminated Employee Escrow Fund Agreement between the Buyer and the Monitor dated ●, 2024 (the "**Terminated Employee Fund Escrow Agreement**") and approved by the CCAA Court in the CCAA Proceedings pursuant to the Terminated Employee Fund Order dated ●, 2024.

The Terminated Employee Fund is meant to provide financial assistance on a gratuitous, without prejudice basis, to those individuals facing hardship as a result of the termination of their employment in the circumstances of the CCAA Proceedings.

### **1. Why did I get this notice?**

You have been identified as eligible to receive the payment of a hardship benefit under the Terminated Employee Fund Escrow Agreement.

<sup>1</sup> **Osler NTD:** This amount may be updated before signing if Buyer determines, in its sole and absolute discretion, to increase the fund.

## 2. How much can I expect to receive and when?

The hardship benefit payable to each eligible terminated employee will be up to a maximum amount equal to the minimum applicable statutory termination pay, and if applicable, statutory severance pay owing to such eligible terminated employee, subject to a potential *pro rata* reduction if the total hardship benefits payable to all eligible terminated employees exceeds the Terminated Employee Fund Amount.

Your estimated gross hardship benefit is set forth at the top of this notice under your name. The hardship benefit, as may be reduced *pro rata* as described above, will be paid by way of a one-time payment in Canadian dollars, subject to all applicable withholdings, taxes and deductions as may be required by law. The Monitor's calculation of the amount payable to you from the Terminated Employee Fund is final, binding and non-appealable.

Subject to the other conditions outlined in this Application Form, it is currently anticipated that the payments will be made on or about **[specify estimated timing]**.

All eligible terminated employees who receive a hardship benefit will receive a tax slip, if it is required by law.

## 3. What do I need to do to receive a hardship benefit?

In consideration for the hardship benefit that you will receive under the Terminated Employee Fund Escrow Agreement, you must:

- complete and sign this Application Form in the "Payment Information" Section below; and
- sign and return the attached Terminated Employee Release Agreement (the "**Release**").

## 4. The Release

In order to receive the hardship benefit, you must sign and return the attached Release in favour of, among others, the Buyer, CPL and the Monitor. **You should carefully review the Release as it impacts your legal rights.** You may wish to consult a lawyer with respect to the Release.

## 5. Can I receive a benefit without signing the Release?

No. To receive a hardship benefit, you must return to the Monitor **both** the signed and completed Application Form and the signed Release.

## 6. When and where do I need to return this Application Form and the signed Release?

**The completed and signed Application Form and Release must be returned to the Monitor by no later than 5:00 pm (Toronto time) on [●], 2024** as follows: (i) by completing the online form accessible via the link provided in the email you have received from the Monitor; or (ii) by email to **[info@ksvadvisory.com]**, or (iii) by mail at the following address:

**KSV RESTRUCTURING INC.**  
**in its capacity as the Monitor**  
**of Contract Pharmaceuticals Limited et al.**  
**220 Bay Street, 13th Floor, PO Box 20,**  
**Toronto, Ontario, M5J 2W4**  
**Attention: Noah Goldstein and Ross Graham**



Please note that no hardship benefit will be owed or paid to you under the Terminated Employee Fund if you fail to comply with this timeline.

**7. Can I transfer my hardship benefit to someone else?**

No. Under no circumstances may you transfer your entitlement to a hardship benefit to another person.

**8. How do I get more information?**

If you have any questions about this Application Form, you should contact the Monitor identified below. There is no cost to do so.

**KSV RESTRUCTURING INC.**  
**in its capacity as the Monitor**  
**of Contract Pharmaceuticals Limited et al.**  
**Email: [info@ksvadvisory.com]**  
**Telephone: 416.932.6262**

**Payment Information to be provided on next page.**

**PAYMENT INFORMATION**

The CCAA Court has authorized CPL to provide to the Monitor its payroll information for the administration of the payment of the hardship benefit to be made under the Terminated Employee Fund Escrow Agreement. The Monitor undertakes to maintain and protect the privacy of such information.

Please provide the following information and sign where indicated below:

a) Method of payment (choose one):

- Electronic fund transfer to my bank account on record with CPL (which was used to process my last pay)
- Electronic fund transfer to a different bank account:

Name of account holder:	
Bank's name:	
Bank's address:	
Institution number:	
Branch/Transit number:	
Account number:	
IBAN or Swift number (if applicable)	

**ACKNOWLEDGEMENT**

In signing this Application Form, I acknowledge that the information provided with this Application Form is provided solely for my general knowledge. I recognize that it is not intended to be a comprehensive review of the Terminated Employee Fund Escrow Agreement and the Release. The information is not a substitute for independent legal advice before making any decisions. I acknowledge having had a sufficient opportunity to read the Terminated Employee Fund Escrow Agreement and the Release completely and to obtain independent legal advice in respect thereof.

SIGNED this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
**Print Name (First, Last name)**

\_\_\_\_\_  
**Signature**

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**EXHIBIT B**

**TERMINATED EMPLOYEE RELEASE AGREEMENT**

[ATTACHED]

**TERMINATED EMPLOYEE RELEASE AGREEMENT  
("RELEASE")**

**FROM:**

\_\_\_\_\_  
(insert full legal name of Terminated Employee)

**TO:**

(I) AIP ELIXIR BUYER INC. ("**Buyer**"),

(II) CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA AND GLASSHOUSE PHARMACEUTICALS LLC (collectively, "**CPL**"),

(III) KSV RESTRUCTURING INC., including in its capacities as Court-appointed Monitor of Contract Pharmaceuticals Limited *et al.* and as Escrow Agent under the Terminated Employee Fund Escrow Agreement (hereinafter collectively referred to as the "**Monitor**"), and

each of their present and former respective direct and indirect affiliates, associates, subsidiaries, parents, past and present shareholders, members, partners, directors, officers, managers, employees, contractors, consultants, agents, representatives, trustees, administrators, lawyers, insurers, predecessors, beneficiaries, heirs, executors, affiliated funds and funds under management (all of the foregoing are collectively referred to herein as the "**Releasees**"), each of which is intended as a beneficiary of this Terminated Employee Release Agreement (the "**Release**").

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Reference is made to that certain Terminated Employee Fund Escrow Agreement dated [●], 2024 (the "**Terminated Employee Fund Escrow Agreement**") by and between AIP Elixir Buyer Inc., as depositor, and the Monitor, as escrow agent, entered into in connection with the transactions (the "**Transactions**") contemplated by the Share Purchase Agreement dated March [●], 2024 (as may be amended in accordance with its terms), between Contract Pharmaceuticals Limited, as seller, and AIP Elixir Buyer Inc., as buyer.

1. I confirm having received a copy of the Terminated Employee Fund Escrow Agreement (a copy of which is available on the Monitor's website at: [www.ksvadvisory.com/experience/case/cpl](http://www.ksvadvisory.com/experience/case/cpl)).
2. I confirm that I have completed an application form (the "**Application Form**") provided to me pursuant to the Terminated Employee Fund Escrow Agreement for the payment of the Hardship Benefit (as defined in the Terminated Employee Fund Escrow Agreement) and I represent that all of the information in the Application Form is true and correct. I understand that in order to be eligible to receive the Hardship Benefit, I must sign and deliver this Release, together with the completed Application Form, to the Monitor on or before 11:59 pm (Toronto time) on [●], 2024.
3. In exchange for the payment of the Hardship Benefit to me on the terms and subject to the conditions set out in the Terminated Employee Fund Escrow Agreement, I hereby fully and finally release, acquit and forever discharge, on behalf of myself and my assigns, beneficiaries, creditors, representatives, agents and affiliates (collectively, the "**Releasing Parties**" and each, a "**Releasing Party**"), the Releasees of and from any and all manner of actions, causes of action, suits, proceedings, obligations, liabilities, administrative complaints, contracts, claims, counterclaims, demands, debts, damages, costs, expenses and compensation of every kind and nature whatsoever, past present, or future, in any jurisdiction, which any Releasing Party now has, has ever had or may

ever have at any time, against any of the Releasees by reason of any cause, matter or thing whatsoever existing up to the present time, whether known or unknown, foreseen or unforeseen, contingent or non-contingent, including all claims in law or equity and all claims for contribution or indemnity (collectively, “Claims” and each a “Claim”), and particularly and without limiting the generality of the foregoing, from all Claims of every nature and kind in any way related to or arising from (i) my engagement in any capacity with CPL, whether as an employee or independent contractor, or from any employment or other agreement between me and CPL, and specifically including all damages, salary, wages, remuneration, commission, vacation pay, overtime pay, termination pay, severance pay, taxes, notice of termination, change of control, retention or similar payments, benefits, profit-sharing, life, medical, pension or retiree benefits (contractual, statutory or otherwise), employee stock options, equity-based compensation (including cashless exercise thereof) or other equity incentives, bonuses, proceeds of any insurance or disability plans, or any other fringe benefit, perquisite or compensation of any kind whatsoever, (ii) the Transactions, including any Claim against Buyer or any of its affiliates or any of their respective assets that such entity is my employer or a common, related or successor employer to CPL or any of its affiliates, or that I was or am entitled to be employed or engaged in any capacity by Buyer or any of its affiliates, (iii) the conduct of the restructuring proceedings of CPL under the *Companies’ Creditors Arrangement Act* (Canada) and Chapter 15 of the *United States Bankruptcy Code*, or (iv) the administration of the escrow fund under the Terminated Employee Fund Escrow Agreement, including by the Monitor in respect of its responsibilities and functions as escrow agent under the Terminated Employee Fund Escrow Agreement.

4. Notwithstanding the foregoing Section 3, nothing in this Release shall release or discharge:
  - (a) any right I may have to continue receiving benefits from any insurer with respect to any previously filed claims I have filed against my then current employer, all subject to the terms and conditions of the applicable plans, policies or programs, and solely to the extent of available insurance without recourse to any of the Releasees by the insurer; and
  - (b) any right I may have to continue receiving benefits from any governmental authority, including, without limitation, under or in respect of workers’ compensation, the *Wage Earner Protection Program Act* (S.C. 2005 c.47, s.1) (“WEPPA”), long-term disability insurance or employment insurance.
5. I confirm that I have not filed any complaint or initiated any legal proceeding against any of the Releasees, and I covenant and agree not to file any complaint or initiate any legal proceeding against any Releasee under any of the *Employment Standards Act, 2000* (Ontario), the *Human Rights Code* (Ontario), the *Workplace Safety and Insurance Act* (Ontario), the *Occupational Health & Safety Act* (Ontario), the *Labour Relations Act* (Ontario), the *Pay Equity Act*, the *Access for Ontarians with Disabilities Act, 2005* (Ontario), the *Personal Information Protection and Electronic Documents Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code* or pursuant to any other applicable law or legislation in any relevant jurisdiction, or in respect of any contractual or other right of action, in respect of any matter that is related to any Claims released hereunder. To the extent that I have filed any such complaint or initiated any such proceeding, I agree that I will promptly withdraw them. For greater certainty, I confirm that I am aware of my rights under the *Human Rights Code* (Ontario), and I hereby confirm that I am not asserting such rights, alleging that any such rights have been breached, or advancing a human rights claim or complaint. In the event that I hereafter make any Claim or demand or commence or threaten to commence any Claim against any of the Releasees with respect to the Claims released hereunder, this Release may be raised as a complete bar to any such Claim.

6. I understand that the Hardship Benefit to be paid is not paid in exchange for services rendered, nor is it the result of employment or the termination thereof. I confirm that I am not, and do not claim to be, an employee of Buyer or any of its affiliates and that I have no right to employment, reinstatement, re-call or reemployment with any of the Releasees, and I waive and release all rights I had or may have had in this regard. For greater certainty, I hereby renounce any right to be reinstated in my employment or other engagement with CPL, any of its affiliates or any successor thereto.
7. I further agree not to make or cause to be initiated any Claim (expressly including any cross-claim, counterclaim, third party action or application) against any other person or corporation who might claim contribution or indemnity against any of the Releasees in respect of any matter that is related to any Claim released hereunder.
8. This Release shall be binding upon me and my heirs, executors, administrators, successors and assigns, and shall inure to the benefit of the Releasees and to the benefit of all of the Releasees' heirs, executors, administrators, successors and assigns.
9. I acknowledge having had a sufficient opportunity to review the Application Form, this Release and the Terminated Employee Fund Escrow Agreement (copies of which are available on the Monitor's website at: [www.ksvadvisory.com/experience/case/cpl](http://www.ksvadvisory.com/experience/case/cpl)) and to obtain independent legal advice in respect thereof, and that the only consideration for this Release is the Hardship Benefit referred to in Section 3. I further confirm that no other promises or representations of any kind have been made to me to cause me to sign this Release.
10. I acknowledge that this Release and the payment of the Hardship Benefit to me shall not constitute an admission of liability on the part of any of the Releasees. Each of the Releasees shall be entitled to enforce this Release in accordance with its terms.
11. I agree that I alone shall be responsible for all tax liability resulting from my receipt of all or any portion of the Hardship Benefit and acknowledge that the Monitor and/or any paying agent for the Hardship Benefit may withhold or deduct funds for remittance to statutory authorities sufficient to satisfy any income tax withholding, payroll and wage withholding and social security or similar contributions, each, in accordance with applicable law and as determined by the Monitor or the paying agent in their sole discretion. I agree to indemnify and save the Releasees harmless from any and all amounts payable or incurred by any of the Releasees if it is subsequently determined that any greater amount should have been withheld or deducted in respect of income tax (federal and provincial), employment insurance, Canada Pension Plan, or any other statutory withholding or contribution required in any jurisdiction whatsoever. For greater certainty, nothing contained in this Release should be deemed to be a representation from the Releasees of the impact of the payment of the Hardship Benefit on any other benefit to which I may be entitled to, including, without limitation, any benefit payable under the WEPPA.
12. I acknowledge that I have considered the availability of the advice of counsel and the possibility that any Releasing Party may not fully know the number or magnitude of the Claims that such Releasing Party has or may have against any Releasee, but nevertheless intend to assume the risk that such Releasing Party is releasing such Claims and agrees that this Release is a full and final release of any and all claims.
13. I further agree not to (and not to cause or encourage any other Releasing Party to) institute, join in, encourage, instigate or participate in any litigation, lawsuit, claim or action against any Releasee, with respect to any or all Claims released pursuant to this Release.

14. I acknowledge that the Hardship Benefit available to me provides good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Release.
15. If any provision of this Release or its application in a circumstance is held to be restricted, prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such restriction, prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Release and without affecting its application to other circumstances.
16. I acknowledge and agree that this Release may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, “electronic signature” shall include faxed, scanned, photographed or otherwise recorded versions of an original signature, or any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record. Delivery of an executed copy of this Release by facsimile, email or other electronic transmission constitutes valid and effective delivery.
17. This Release shall be governed by the laws of the province of Ontario and the federal laws of Canada applicable therein. To the full extent permitted by law, I hereby submit to the exclusive jurisdiction of the Ontario Superior Court of Justice (Commercial List) with respect to any matter arising under or in connection with this Release or the Terminated Employee Fund Escrow Agreement.
18. This Release constitutes the entire agreement among the parties hereto with respect to the subject matter of this Release and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties hereto with respect to the subject matter of this Agreement. SIGNED this \_\_\_\_ day of \_\_\_\_\_, 2024.

---

Print Name of Terminated Employee

---

Signature of Terminated Employee

1378-1423-0027

**EXHIBIT C**

**FORM OF TERMINATED EMPLOYEE FUND ORDER**

[ATTACHED]



**SCHEDULE B**  
**APPLICATION PROCESS UNDER THE TERMINATED EMPLOYEE FUND ESCROW**  
**AGREEMENT**

*Attached.*

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

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA  
HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE  
PHARMACEUTICALS LLC**

Court File No. CV-23-00711401-00CL

Applicants

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

Proceeding commenced at Toronto

**TERMINATED EMPLOYEE FUND ORDER**

**GOODMANS LLP**

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

**Christopher Armstrong (LSO# 55148B)**  
carmstrong@goodmans.ca

**Erik Axell (LSO# 853450)**  
eaxell@goodmans.ca

**Jennifer Linde (LSO# 86996A)**  
jlinde@goodmans.ca

Tel: (416) 979-2211

Fax: (416) 979-1234

Lawyers for the Applicants

## FIRST AMENDING AGREEMENT

THIS AMENDING AGREEMENT (the “**Amending Agreement**”) is made April 12, 2024

### AMONG

**CONTRACT PHARMACEUTICALS LIMITED**, a corporation incorporated under the laws of the State of Delaware (the “**Seller**”)

- and -

**AIP ELIXIR BUYER INC.**, a corporation incorporated under the laws of the Province of Alberta (the “**Buyer**”)

(collectively, the “**Parties**”)

### RECITALS

- A. The Parties entered into a share purchase agreement dated as of March 30, 2024 (the “**Share Purchase Agreement**”).
- B. The Parties wish to amend the Share Purchase Agreement and document certain other agreements pertaining to the Share Purchase Agreement.

**IN CONSIDERATION** of the premises and mutual agreements and covenants contained in this Amending Agreement (the receipt and sufficiency of good and valuable consideration being acknowledged), the Parties hereby agree as follows:

#### 1. Amendments

- (a) The definition of “**Outside Date**” in Section 1.1 of the Share Purchase agreement is deleted in its entirety and replaced with the following:

““**Outside Date**” means June 7, 2024 or such later date as provided for in Section 6.5(d);”

- (b) Section 2.2(b) of the Share Purchase Agreement is deleted in its entirety and replaced with the following:

“On the Closing Date, the Buyer shall pay to the Monitor an amount equal to the sum of the amounts set forth in the sixth step of the Closing Sequence as of the Closing as a loan by the Buyer to CPL Canada Holdco, which amounts have been estimated by the Seller to be approximately the amount equal to \$57,516,345 (estimated as at April 30, 2024) minus USD\$8,000,000 (the “**Closing Consideration**”). For greater certainty, Seller’s estimated amount in the preceding sentence is solely an estimate and not a maximum and the Closing Consideration shall be an amount equal to the excess of (i) the aggregate amount of all Claims (including all costs and expenses, including any and all fees and such other amounts payable to financial and legal advisors) owing under the DIP Facility, the RBC

Facility, the EDC Facility and the Deerfield Facility payable in the currency stipulated by each such Credit Facility, over (ii) USD\$8,000,000.”

- (c) The following is inserted as Section 2.7 of the Share Purchase Agreement:

“On April 12, 2024, a deferred payment agreement (“**Deferred Payment Agreement**”) between the Buyer, CPL Canada and Deerfield Private Design Fund IV, L.P. and Deerfield Private Design Fund III, L.P. (collectively, **Deerfield**”) was executed by the Buyer, CPL Canada and Deerfield providing for, among other things, the payment by the Buyer to Deerfield of up to USD\$8,000,000 upon the achievement of certain milestones by the Company in accordance with the terms and conditions thereof. An amount of Claims equal to USD\$8,000,000 under the Deerfield Facility will be fully and finally released at the time and as set forth in the Approval and Vesting Order with effect on Closing in consideration for the entering into of the Deferred Payment Agreement.”

- (d) the following is inserted as Section 5.1(k) of the Share Purchase Agreement:

“the Deferred Payment Agreement shall be in force and effect and, unless otherwise consented to by the Buyer, unamended.”

- (e) the following is inserted as Section 5.2(i) of the Share Purchase Agreement:

“the Deferred Payment Agreement shall be in force and effect and, unless otherwise consented to by CPL Canada and Deerfield, unamended.”

- (f) Section 6.2(a) of the Share Purchase Agreement is deleted in its entirety and replaced with the following:

“operate the Business in the ordinary course in all material respects and use commercially reasonable efforts to: (i) preserve the Business and customer, vendors and employee relationships; (ii) pay the Post Filing Trade Amounts as they become due; (iii) maintain Inventory sufficient for addressing customer demand; and (iv) comply with the disbursement budget under the DIP Facility as of the date hereof (subject to the Permitted Variance, as such term is defined in the DIP Facility), a true and complete copy of which has been provided to the Buyer as of April 11, 2024 (the “**DIP Budget**”).”

- (g) Section 7.1(d) of the Share Purchase Agreement is deleted in its entirety and replaced with the following:

“The Seller shall use its reasonable best efforts to obtain the Court Orders as soon as practicable. Buyer acknowledges that Court time has been scheduled for April 17, 2024.”

- (h) Schedule G of the Share Purchase Agreement is deleted in its entirety and replaced with Schedule “A” attached hereto.

- (i) Section (f) of Schedule H – Closing Sequence (the sixth step of the Closing Sequence) is deleted in its entirety and replaced with the following:

“Sixth, from the amounts provided by the Buyer referred to in (a) and the Deposit with the interest accrued thereon, if any (which will represent the Closing Consideration):

- (i) the Monitor shall be directed to pay all Claims owing under the DIP Facility,
- (ii) the Monitor shall be directed to pay all Claims owing under the RBC Facility,
- (iii) the Monitor shall be directed to pay all Claims owing under the EDC Facility, and
- (iv) the Monitor shall be directed to pay all Claims owing under the Deerfield Facility, for greater certainty excluding the amount of USD\$8,000,000 which shall be released at the time and as set forth in the Approval and Vesting Order, and all remaining Claims owing under the Deerfield Facility are fully and finally released,

and to the extent such Claims are payable by CPL Canada or Glasshouse Canada, CPL Canada Holdco shall be deemed to have made an equity contribution in such amounts to CPL Canada and Glasshouse Canada, as applicable; and”

## **2. Customer Condition**

Buyer hereby unconditionally and irrevocably waives each of (i) the condition in section 5.1(a) of the Share Purchase Agreement and (ii) the associated termination right in section 8.1(g) of the Share Purchase Agreement. In the event the Customer (as defined in the Deferred Payment Agreement) informs the Company prior to Closing that it will not enter into a Product Addendum (as defined in the Deferred Payment Agreement), such development will not itself constitute a Material Adverse Effect and Buyer shall have no right to terminate the Agreement or claim a failure of any condition to the Closing as the result of such development.

## **3. Mutatis Mutandis**

Subject to the changes and waivers referred to in this Amending Agreement, all other terms and conditions of the Share Purchase Agreement will remain in effect and shall apply *mutatis mutandis* to this Amending Agreement.

## **4. Counterparts and Delivery**

This Amending Agreement may be executed in one or more counterparts and delivered by facsimile or other electronic transmission, each such counterpart so delivered will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

*[Signature page follows]*

IN WITNESS WHEREOF the Parties have duly executed this Amending Agreement as of the date first written above.

**AIP ELIXIR BUYER INC.**

DocuSigned by:  
*Jayesh Taunk*  
By: \_\_\_\_\_  
7F7B40B263AF4BF...  
Name: Jayesh Taunk  
Title: Director

**CONTRACT PHARMACEUTICALS  
LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF the Parties have duly executed this Amending Agreement as of the date first written above.

**AIP ELIXIR BUYER INC.**

By: \_\_\_\_\_  
Name: Jayesh Taunk  
Title: Director

**CONTRACT PHARMACEUTICALS  
LIMITED**

By: \_\_\_\_\_ *Jan Sahai*  
Name: Jan Sahai Signed by: Jan Sahai  
CEO  
Title: Chief Executive Officer Date: 2024-04-24 17:22:48 EDT

**SCHEDULE “A”**

**RETAINED CONTRACTS**

(see attached)



**SCHEDULE G**  
**RETAINED CONTRACTS**

**Customer Contracts**

	<b>Counterparty</b>	<b>AGREEMENT</b>
1.	Medimetriks Pharmaceuticals, Inc. (Acrotech through Medimetriks)	Development Agreement effective as of November 18, 2019.
2.	Actavis Mid-Atlantic LLC and Actavis Laboratories NY, Inc.	Mirror Amended and Restated Manufacturing and Supply Agreement dated July 7, 2016.
3.	Actavis Mid-Atlantic LLC, as assignor and Actavis Laboratories NY	Partial Assignment and Assumption to the Actavis Amended and Restated Supply Agreement dated June 29, 2019.
4.	Covis Pharma GmbH	Manufacture and Supply Agreement dated August 15, 2022.
5.	Dr. Reddy's Laboratories, Inc.	Manufacturing and Supply Agreement dated as of June 10, 2020.
6.	Eli Lilly and Company	Master Development and Services Agreement dated April 13, 2015 as amended January 29, 2020, and January 1, 2024.
7.	Eli Lilly and Company	Quotation – [REDACTED] Oral Suspension Characterization Testing dated November 14, 2023.
8.	Endo Ventures Limited	Master Supply Agreement dated as of March 1, 2016.
9.	Novartis Consumer Health Canada Inc (GlaxoSmithKline Consumer Healthcare, Inc.)	Manufacturing and Supply Agreement dated May 13, 2013.
10.	Incyte Biosciences International SARL	Commercial Supply Agreement dated April 28, 2023.
11.	Johnson & Johnson Consumer Inc.	Manufacturing and Supply Agreement dated August 1, 2010.
12.	Johnson & Johnson Consumer Inc.	Extension and Amendment to Johnson & Johnson Manufacturing and Supply Agreement dated December 15, 2013.
13.	Johnson & Johnson Consumer Inc.	Extension and Amendment of Johnson & Johnson Manufacturing and Supply Agreement dated December 14, 2021.
14.	Johnson & Johnson Consumer Inc.	Amendment to the Johnson & Johnson Manufacturing and Supply Agreement, dated January 1, 2021.
15.	Bausch Health Ireland Limited & Maruho. Co LTD	Supply Agreement dated June 29, 2010, as amended on July 1, 2015, November 1, 2021, and January 16, 2023.
16.	OptiNose US, Inc.	Manufacture and Supply Agreement dated August 18, 2017, as amended on February 22, 2021.
17.	Pfizer, Inc.	Master Manufacturing and Supply Agreement dated March 15, 2021 as amended Feb 11, 2022.
18.	Pfizer, Inc.	Product Addendum to the Pfizer Manufacturing and Supply Agreement. Development and Manufacture Agreement dated December 16, 2021, as amended.
19.	Pfizer, Inc.	Master Scientific Services Agreement dated April 13, 2021.
20.	Pfizer, Inc.	Quotation for Toxicology Batches Manufacturing and In-Use Stability Testing of [REDACTED] dated February 6, 2024.
21.	Pfizer, Inc.	Purchase Order dated February 8, 2024
22.	Pfizer, Inc.	Quotation for Manufacturing of [REDACTED] Formulation dated October 24, 2022 - [REDACTED]  Change of Scope # 04 to [REDACTED] dated November 30, 2023  Change of Scope # 01 to [REDACTED] dated December 5, 2023  Change of Scope # 03 to [REDACTED] dated December 5, 2023  Change of Scope # 01 to [REDACTED] dated February 29, 2024

23.	Bausch Health Ireland Limited (Formerly Bausch Health Poland; Formerly Valeant Pharma Poland)	Manufacturing and Supply Agreement effective January 1, 2015, as amended October 14, 2015 and October 1, 2019
24.	Principia Biopharma, Inc.	Master Services Agreement dated March 26, 2020
25.	Sun Pharmaceuticals Industries Ltd.	Development and Technology Transfer Agreement dated October 21, 2021.
26.	Sun Pharmaceuticals Industries Ltd.	Manufacturing and Supply Agreement
27.	Upsher-Smith Laboratories, Inc.	Supply Agreement dated May 1, 2012
28.	Mylan Inc	Technology Transfer Agreement dated October 26, 2022
29.	WinSanTor, Inc.	Master Agreement for Services dated February 24, 2022
30.	Almirall LLC	Supply Agreement
31.	Botanix SB, Inc.	Master and Supply Agreement.
32.	Xequel Bio	Quotation – Formulation and Process Development Studies of [REDACTED] dated July 13, 2023.
33.	Apotex Inc.	Technical Transfer, Manufacturing & Supply Agreement dated September 5, 2013.
34.	Pharma Pharmaceuticals Industries	Manufacture and Supply Agreement dated February 21, 2023.
35.	Principia Biopharma Inc.(Sanofi)	Work Order dated May 15, 2023.
36.	Principia Biopharma Inc.(Sanofi)	Work Order dated May 31, 2023.
37.	Averitas Pharma, Inc.	Manufacturing and Supply Agreement dated January 2, 2023.
38.	DermBiont, Inc.	Quotation - Formulation and Analytical Development of [REDACTED] dated February 02, 2024.
39.	DermBiont, Inc	Quotation - Tech Transfer, Clinical Batch Manufacturing, and Stability Studies of [REDACTED] dated November 09, 2023.
40.	DermBiont, Inc	Change of Scope # 01 to [REDACTED] Tech Transfer, Clinical Batch Manufacturing, and Stability Studies of [REDACTED].
41.	VeraDermics	Quotation – GMP Active and Vehicle Batch Manufacturing and Stability Testing of [REDACTED] dated December 12, 2023.
42.	Pharma Pharmaceuticals Industries	Quotation – Technology Transfer of [REDACTED] dated May 18, 2023.
43.	Pharma Pharmaceuticals Industries	Quotation – Technology Transfer of [REDACTED] dated May 20, 2023.
44.	Paladin Labs Inc.	Product Supply Scope No.4 dated July 2, 2021.
45.	Paladin Labs Inc	Product Supply Scope No.5 dated March 7, 2023.
46.	Auxilius Pharma Sp. z o.o.	Quotation – Development and Manufacturing of Registration Batches for [REDACTED] dated September 24, 2021
47.	Dr. Reddy's Laboratories EU Limited	Development, Manufacturing and Commercial Supply Agreement dated as of October 6, 2014, as amended July 12, 2017.
48.	Endo Ventures Limited	Product Supply Scope No. 1 dated July 2, 2016, as amended May 10, 2018, January 1, 2022 and January 1, 2024.
49.	Endo Ventures Limited	Product Supply Scope No.2 dated July 2, 2016.
50.	Endo Ventures Limited	Product Supply Scope No.3 dated July 2, 2016.
51.	Johnson & Johnson Consumer Inc.	Partner Savings Agreement dated October 13, 2016.
52.	Johnson & Johnson Consumer Inc.	Master Supply Agreement dated August 1, 2020, as amended on January 7, 2021.
53.	Upsher-Smith Laboratories, Inc.	Letter Agreement dated January 17, 2014.
54.	Summit Pharmaceuticals International Corporation	Supply Agreement dated August 23, 2017.
55.	Incyte Biosciences International SARL	Development Manufacturing and Supply Agreement dated February 1, 2022.
56.	Medimetriks Pharmaceuticals, Inc.	Transfer Letter dated January 7, 2022.
57.	Medimetriks Pharmaceuticals, Inc.	Master Supply Agreement dated December 3, 2019.

58.	Valeant Pharmaceuticals North America, Maruho Co., Ltd.	Supply Agreement dated September 24, 2020.
59.	Valeant Pharmaceuticals North America, Maruho Co., Ltd.	Amendment to the Supply Agreement dated September 24, 2020.
60.	Allergan Sales	Amendment to the Mirror Amended and Restated Manufacturing and Supply Agreement dated November 16, 2017.
61.	Allergan Sales	Pricing to the Mirror Amended and Restated Manufacturing and Supply Agreement dated December 7, 2023.
62.	Pfizer, Inc.	Change of Scope #3 to [REDACTED], Pfizer Development Agreement, dated November 30, 2023.
63.	Valeant sp. z.o.o. s.p.j.	Manufacture and Supply Agreement dated October 14, 2015.
64.	Botanix SB, Inc.	Validation Activities and Manufacturing of Validation batches of [REDACTED] Agreement between dated August 22, 2023.
65.	Valeant Pharmaceuticals North America, Maruho Co., Ltd	Supply Agreement dated February 1, 2011, as amended.
66.	Valeant sp. z.o.o. s.p.j.and Bausch Health Ireland Limited	Assignment and Amendment Agreement to the Manufacture and Supply Agreement dated November 28, 2019.
67.	Valeant sp. z.o.o. s.p.j.and Bausch Health Ireland Limited	Amendment to the Manufacture and Supply Agreement dated February 26, 2024.
68.	Actavis Mid Atlantic LLC	Amended and Restated Supply Agreement dated June 29, 2012.
69.	Actavis Mid Atlantic LLC	Amendment to the Amended and Restated Supply Agreement dated January 29, 2015.
70.	VeraDermics	Analytical Method Validation, Non-GMP Manufacturing and Testing of [REDACTED] Agreement dated April 19, 2023.
71.	Novartis Consumer Health Canada Inc	First Amendment to the Manufacturing and Supply Agreement dated May 28, 2014.
72.	Novartis Consumer Health Canada Inc	Second Amendment to the Manufacturing and Supply Agreement dated January 1, 2015.
73.	Novartis Consumer Health Canada Inc	Third Amendment to the Manufacturing and Supply Agreement dated January 18, 2016.
74.	Novartis Consumer Health Canada Inc	Fourth Amendment to the Manufacturing and Supply Agreement dated June 21, 2016.
75.	Novartis Consumer Health Canada Inc	Fifth Amendment to the Manufacturing and Supply Agreement dated February 9, 2018.
76.	Novartis Consumer Health Canada Inc	Sixth Amendment to the Manufacturing and Supply Agreement dated June 24, 2020.
77.	Novartis Consumer Health Canada Inc	Seventh Amendment to the Manufacturing and Supply Agreement dated December 16, 2020.
78.	Novartis Consumer Health Canada Inc	Eighth Amendment to the Manufacturing and Supply Agreement dated April 25, 2023.
79.	Novartis Consumer Health Canada Inc	Ninth Amendment to the Manufacturing and Supply Agreement dated June 5, 2023.
80.	Novartis Consumer Health Canada Inc	Tenth Amendment to the Manufacturing and Supply Agreement dated August 11, 2023.
81.	Pfizer, Inc.	Quotation for the Development and Manufacture of [REDACTED] [REDACTED] dated December 16, 2021.

**Real Estate Leases**

	Counterparty	AGREEMENT
1.	Dundee Danbro Holdings Limited	<p>Lease dated April 7, 1999, respecting the property bearing municipal address 7600 Danbro Crescent, Mississauga, Ontario</p> <p>Lease Amending Agreement between GE Canada Real Estate Equity Holding Company and CPL Canada dated March 5, 2012</p> <p>Letter of succession and Notice of Direction from Piret (Mississauga) Holdings Inc., ("Piret") to CPL Canada dated May 15, 2013</p>



	Counterparty	AGREEMENT
		Lease Amending Agreement between Piret and CPL Canada dated October 25, 2023
2.	Laurel Lynn investment Limited, Ben-Ted Construction Limited	Lease dated October 8, 2012, respecting the property bearing municipal address 2145 Meadowpine Boulevard, Mississauga, Ontario  Lease between GTA W21 Inc. ("GTA") and CPL Canada dated September 12, 2023

**Supply Chain Contracts**

	Counterparty	AGREEMENT
1.	RPR Environmental Inc.	Environmental Compliance & Administrative Agency Appointment Agreement January 1, 2024 – December 31, 2024.
2.	Greenfield Global Inc.	Purchase Agreement dated November 21, 2023.

**HR Vendor Contracts**

	Counterparty	AGREEMENT
1.	ADP Canada Co.	Global Masters Services Agreement dated June 6, 2023.
2.	Great-West Canada Life Assurance Company	Life Insurance Group Policy No. 153144 Health and Dental Benefits Plan no. 56702
3.	Canadian Linen & Uniform Service	Rental Service Agreement dated July 28, 2011.
4.	Just Checking Resources Inc.	Service Level Agreement dated January 7, 2019.
5.	Prospect Strategies Ltd.	Strategic Corporate and Executive Communications Support 2024 dated October 10, 2023.
6.	Randstad Interim Inc.	Placement Agreement dated November 15, 2023.
7.	Ceridian Canada Ltd.	Master Services Agreement dated December 27, 2014.
8.	HR Strategies Consulting Inc.	Renewal Contract No. 123-R2 dated December 12, 2023.
9.	LinkedIn Corporation	Order form for Recruiter Corporate and Job Slot dated July 28, 2023.

**Service, Operations, Equipment and Maintenance Contracts**

	Counterparty	AGREEMENT
1.	Labthink International, Inc.	Quotation for lab testing equipment dated March 3, 2022.
2.	Labthink International, Inc.	Purchase order for lab testing equipment dated April 19, 2022.
3.	Naylor Building Partnerships Inc.	Addendum to the CM4 agreement dated January 12, 2023.
4.	Naylor Building Partnerships Inc.	Addendum to the CM4 agreement dated May 1, 2023.
5.	Dara Pharmaceutical Equipment	Proposal for the Preventative Maintenance and Support Contract of CPL's Dara Machine dated March 21, 2023.
6.	Network Janitorial Services Inc.	Service Agreement dated November 4, 2014.
7.	Waste Management of Canada Corporation	Waste & Recycling Rental Agreement dated February 15, 2019.
8.	Ronnie's Generator Service Ltd.	Preventative Maintenance Renewal Agreement for the generator equipment at Meadowpine.
9.	Ronnie's Generator Service Ltd.	Preventative Maintenance Renewal Agreement for the generator equipment at Danbro Crescent.
10.	Clayton Sales & Service Ltd.	Preventative Maintenance Agreement dated March 2024.
11.	TraceLink, Inc.	Enterprise Agreement dated November 23, 2016, as amended on April 15, 2019.
12.	TraceLink, Inc.	Enterprise Agreement dated November 23, 2016 as amended on June 14, 2019, November 18, 2020, November 24, 2020 and August 31, 2021.

	<b>Counterparty</b>	<b>AGREEMENT</b>
13.	OPTEL Vision Inc.	Sale Proposal 36847 and order for 24/7 technical support covering 4 OPTEL lines.
14.	ALPHA-1 Laboratory Solutions Inc.	Service Agreement renewal quotation for the PDS instruments at Danbro dated September 7, 2023.
15.	ALPHA-1 Laboratory Solutions Inc.	Service Agreement renewal quotation dated June 15, 2023.
16.	ALPHA-1 Laboratory Solutions Inc.	Service Agreement quotation dated February 23, 2024.
17.	Marsh Instrumentation Ltd.	Purchase order D 165987 dated December 20, 2023.
18.	Fisher Scientific	Purchase order dated January 25, 2023.
19.	Pegram Technologies, Inc.	Quotation for PAT700 Calibrations for CPL dated January 16, 2024.
20.	AsepSys Inc.	Quotation for Semi-Annual and Calibration Service Agreement dated August 3, 2023.
21.	Iron Mountain Canada Operations ULC D/B/A Iron Mountain Canada	Customer Agreement dated November 1, 2018.
22.	Sonitrol Verified Electronic Security	Commercial Security System Agreement dated March 21, 2019.
23.	SQA Services, Inc.	Agreement and Statement of Work – Managed Audit Services dated February 14, 2019.
24.	Avalanche Property Services	Proposal and Contract for snow removal services dated September 12, 2023.

**Information Technology Contracts**

	<b>Counterparty</b>	<b>AGREEMENT</b>
1.	ActZero, Inc.	Managed Services Agreement dated May 6, 2023.
2.	Qnovate Solutions Inc.	Master Services Agreement dated June 3, 2021.  Work Order #01 issued under Master Services Agreement dated June 3, 2021.  Work Order #02 issued under Master Services Agreement dated June 3, 2021.
3.	Bell Canada	Master Communications Agreement (Retail) (Agreement #1-13127437674-MA).  Business Internet Dedicated (BID) Service Schedule (Agreement #1-13127437674-5).  Internet Protocol Virtual Private Network (IP VPN) Service (Agreement #1-13127437674-7).  SIP Trunking Service Schedule to Master Communications Agreement (Agreement #1-13127437674-6).
4.	Bell Mobility Inc.	Bell Mobility Services Agreement dates December 11, 2023.
5.	Docucomm Business Systems Inc. (Assigned to De Lage Laden Financial Services Canada Inc.)	Copier Lease Agreement dated February 1, 2023.
6.	Docucomm Business Systems Inc. (Assigned to De Lage Laden Financial Services Canada Inc.)	Copier Lease Agreement dated July 1, 2023.
7.	Docucomm Business Systems Inc. (Assigned to De Lage Laden Financial Services Canada Inc.)	Copier Lease Agreement dated September 1, 2023
8.	Waters Limited	Quotation #23462054 re: service plan.  Purchase Order (#257151751) for contract period of March 7, 2023 to March 6 2024.

	<b>Counterparty</b>	<b>AGREEMENT</b>
9.	Freshworks Inc.	Service Order Form re: Subscription term beginning October 31, 2023.
10.	Microsoft Canada Inc.	Amendment to Contract Documents (Amendment ID M364) – Enterprise Subscription Enrollment  Program Signature Form (Agreement # E5151863)
11.	Rogers Communications Canada Inc.	Master Enterprise Customer Agreement effective November 30, 2021.
12.	6362222 Canada Inc. (doing business as, The Createch Group)	Software Maintenance Agreement SAP Business Solutions dated December 14, 2017.
13.	Sparta Systems, Inc.	Purchase Order dated November 22, 2022.
14.	Sparta Systems, Inc.	TrackWise – License Agreement.

1411-1989-0443

**SCHEDULE “B”  
FORM OF MONITOR’S CERTIFICATE**

Court File No. CV-23-0071101-00CL

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS  
LIMITED, CPL CANADA HOLDCO LIMITED,  
CONTRACT PHARMACEUTICALS LIMITED CANADA,  
GLASSHOUSE PHARMACEUTICALS LIMITED CANADA,  
AND GLASSHOUSE PHARMACEUTICALS LLC**

(the “**Applicants**”)

**MONITOR’S CERTIFICATE**

A. Pursuant to the Amended and Restated Initial Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated December 22, 2023, the Applicants were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and KSV Restructuring Inc. was appointed as the monitor of the Applicants (in such capacity, the “**Monitor**”).

B. Pursuant to the Approval and Reverse Vesting Order of the Court dated April 17, 2024 (the “**Approval and Reverse Vesting Order**”), the Court approved the transaction (the “**Transaction**”) contemplated by the Share Purchase Agreement (as amended and as may be further amended, the “**Agreement**”) between Contract Pharmaceuticals Limited, as seller (the “**Seller**”), and AIP Elixir Buyer Inc., as buyer (the “**Buyer**”) dated as of March 30, 2024.

C. The Approval and Reverse Vesting Order contemplates that the Transaction will be implemented and certain relief set out in the Approval and Reverse Vesting Order will become effective upon delivery of this Monitor’s Certificate by the Monitor to the Applicants and the Buyer.

D. Capitalized terms used but not defined herein have the meanings ascribed to them in the Approval and Reverse Vesting Order or the Agreement.

**THE MONITOR HEREBY CERTIFIES** the following:

1. The Monitor has received written confirmation from the Seller, in form and substance satisfactory to the Monitor, that it has received the Share Purchase Price.
2. The Buyer has paid to the Monitor the Closing Consideration, the Administrative Expense Reserve and the Terminated Employee Fund amount in accordance with the Agreement.
3. The Monitor has received written confirmation from the Buyer and the Seller, in form and substance satisfactory to the Monitor, that all conditions to Closing set forth in the Agreement have been satisfied or waived, as applicable, by the Buyer and the Seller.

This Monitor's Certificate was delivered by the Monitor at Toronto on \_\_\_\_\_, 2024.

**KSV RESTRUCTURING INC., in its capacity  
as Monitor of the Applicants, and not in its  
personal or corporate capacity**



Per: \_\_\_\_\_  
Name:  
Title:




**SCHEDULE "C"**  
**IP ENCUMBRANCES TO BE DELETED**

**TRADEMARKS**

**Canada**

No.	Trademark	Status	Security Interest	Owner Name
1	CPL & DESIGN 	Registered <b>App</b> 1394933 <b>App</b> 09-MAY-2008 <b>Reg</b> TMA749645 <b>Reg</b> 07-OCT-2009	Security Agreement Placed on File: 15 mars/Mar 2019: Deerfield Private Design Fund IV, L.P., as Collateral Agent	Contract Pharmaceuticals Limited
2	CPL & DESIGN 	Registered <b>App</b> 1136277 <b>App</b> 03-APR-2002 <b>Reg</b> TMA600800 <b>Reg</b> 28-JAN-2004	Security Agreement Placed on File: 16 nov/Nov 2005: The Toronto- Dominion Bank and The Toronto- Dominion Bank, New York Branch  Security Agreement Placed on File: 01 avr/Apr 2019: Deerfield Private Design Fund IV, L.P., as Collateral Agent	CONTRACT PHARMACEUTIC ALS LIMITED a Delaware Corporation
3	PLASTIBASE	Registered <b>App</b> 228551 <b>App</b> 20-JAN-1955 <b>Reg</b> TMA102356 <b>Reg</b> 13-JAN-1956	Security Agreement Placed on File: 01 avr/Apr 2019: Deerfield Private Design Fund IV, L.P., as Collateral Agent	GLASSHOUSE PHARMACEUTIC ALS LIMITED CANADA

**United States**

No.	Trademark	Status	Security Interest	Owner Name
4	CPL 	Registered <b>App</b> 77487390 <b>App</b> 30-MAY-2008 <b>Reg</b> 3762102 <b>Reg</b> 23-MAR-2010	Security Agreement Placed on File: 07 Dec 2018: Deerfield Private Design Fund IV, L.P., as Collateral Agent	CONTRACT PHARMACEUTIC ALS LIMITED (Canada)

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

Court File No. CV-23-711401-00CL

**AND IN THE MATTER OF AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO  
LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE  
PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC**

Applicants

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

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING ORDER**

**GOODMANS LLP**

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

**Christopher Armstrong** (LSO# 55148B)  
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Tel: (416) 979-2211  
Fax: (416) 979-1234

Lawyers for the Applicants

**CITATION:** Contract Pharmaceuticals Limited  
**COURT FILE NO.:** CV-23-711401-00CL  
**DATE:** 20240417

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONTRACT PHARMACEUTICALS LIMITED, CPL CANADA HOLDCO LIMITED, CONTRACT PHARMACEUTICALS LIMITED CANADA, GLASSHOUSE PHARMACEUTICALS LIMITED CANADA, AND GLASSHOUSE PHARMACEUTICALS LLC**

**BEFORE:** W.D. Black J.

**COUNSEL:** *Christopher Armstrong, Erik Axell and Jennifer Linde, Counsel to the Applicants  
Noah Goldstein and Ross Graham, Monitor, KSV Restructuring Inc.  
Joseph J. Bellissimo and Stephanie Fernandes, Counsel to the Monitor  
Jesse Mighton, Counsel to Deerfield Management Company  
Cristian Delfino, Counsel to Royal Bank of Canada  
Tracy C. Sandler and Hannah Davis, Counsel to Aterian  
Mark Chesen, SSG Capital Advisors  
Eli Ghali Benjelloun and Bobby Boursiquot, Neopharm Labs Inc.  
Elizabeth Vanderbilt, OLSA USA, LLC  
Sarah Robertson, Project Strategies  
Romeo Saquilayan and Stephanie Magill, Apex Graphics  
Steve De Freitas, Univar Solutions  
Laura Culleton, Counsel to Export Development Canada  
Sandra Roberts  
Anjali Sandhu  
Hannah Davis  
Cameron Carvalho  
Colby Linthwaite*

**HEARD:** April 17, 2024

## **ENDORSEMENT**

### **Overview**

[1] The Applicants seek an order (the "ARVO"), in the nature of a reverse vesting order, approving an agreement for a share purchase transaction (the "Sale Agreement" and the "Transaction"), between Contract Pharmaceuticals Limited ("CPL") as seller, and AIP Elixer Buyer Inc. (the "Buyer"), an affiliate of Aterian Investment Partners IV, LP ("Aterian"). The

applicants seek certain related declarations. In this endorsement I will refer to various companies involved in the AVRO, and aspects of the AVRO itself, as those companies and steps are defined in the applicants' materials.

[2] The Applicants also seek an order (the "Ancillary Relief Order") extending the current stay period through June 17, 2024, expanding the powers of the monitor KSV Restructuring Inc. (the "Monitor") as they relate to residual companies and remaining Applicants (following the implementation of the ARVO), authorizing the applicants and the Monitor to make certain distributions from the net proceeds of the Transaction, and granting certain ancillary relief said to be necessary to advance these CCAA proceeding.

[3] Finally, in relation to employees whose employment will be terminated as part of the proposed arrangements, the Applicants seek an order (the "Terminated Employee Fund Order") approving the Terminated Employee Fund Escrow Agreement to be entered into between the Buyer, as depositor, and the Monitor, as escrow agent, pursuant to which the Terminated Employee Fund will be established.

### **Initial CCAA Order and SISP**

[4] On December 15, 2023, the Applicants obtained an Initial Order (as amended and restated by order of this court dated December 22, 2023 (the "ARIO")) under the CCAA to continue the implementation of the Applicants' restructuring efforts and to pursue a refinancing, sale and investment solicitation process (the "SISP") in respect of the CPL business.

[5] At the time of granting the ARIO, the court also granted the SISP Approval Order approving the SISP to be undertaken by the Applicants with the assistance of the Financial Advisor and under the oversight of the Monitor and directing the applicants, the Financial Advisor and the Monitor to implement the SISP pursuant to its terms.

### **The Sale Agreement**

[6] The Sale Agreement is the outcome and culmination of the SISP. The Applicants assert that the "going concern" Transaction encompassed in the ARVO provides significant benefits to the Applicants' stakeholders, including repayment of nearly \$60 million of secured debt owed by the Applicants, the assumption of a substantial portion of stayed trade payables, and continued employment for the vast majority of CPL Canada's 279 employees. The applicants note that the Transaction is supported by the Monitor, and by Deerfield Private Design Fund III, LP ("Deerfield"), the Applicant's DIP Lender and largest secured creditor. In fact, no opposition to the Transaction or the ARVO has been expressed, including at the hearing before me. This tends to support the Applicant's submission that the relief sought is in the best interests of the Applicants and their stakeholders.

[7] The reverse vesting Transaction provides that all of the issued and outstanding shares of CPL Canada Holdco (the "CPL Shares"), will be sold, assigned and transferred to the Buyer, with the result that the Buyer will become the sole shareholder of CPL Canada Holdco, and that all Excluded Assets, Excluded Contracts and Excluded Liabilities (all as defined in the Sale Agreement), will be transferred and vested out to ResidualCo.

## **The Applicant's Business and Rationale for the RVO**

[8] The specific impetus for the Transaction being structured as a reverse vesting transaction is that CPL Canada holds certain regulatory licences issued by (among others), Health Canada and the U.S. Food and Drug Administration (the "Regulatory Licences"), most of which are non-transferrable and all of which are critical to the operation of the CPL business. The reverse vesting structure allows CPL Canada to maintain all of its Regulatory Licences, enabling the CPL Business to continue without interruption as a going concern upon closing of the Transaction.

[9] The Applicants are in the business of developing, testing and manufacturing non-sterile liquid and semi-solid pharmaceutical and regulated over-the-counter products. Their core business is that of CPL Canada, based in Mississauga, Ontario.

[10] The Applicants acknowledge that beginning in 2016, they made certain strategic decisions that led to losses and inconsistent performance in their business lines, and have distracted from the core CPL business and created debt burden.

[11] As a result of challenging interest expenses arising from this debt burden, leading in turn to reduced availability of funding, and despite efforts to restructure, the Applicants began to struggle to meet ongoing working capital requirements.

[12] The Applicants accordingly began, with the assistance of advisors, to explore strategic alternatives. These efforts did not immediately yield a definitive transaction, and so, facing mounting liquidity challenges, the Applicants sought and received CCAA protection.

[13] Once the SISP Order was in place, the Applicants, with the assistance of a financial advisor and under the oversight of the Monitor, conducted the SISP with a view to identifying the best available restructuring transaction for the benefit of all concerned.

## **The SISP Process**

[14] The SISP process in fact generated several submissions before the qualified bid deadline, including the Aterian Bid leading to the Sale Agreement. With input and assistance from the financial advisor and the Monitor, and following negotiations, the Applicants determined that the Aterian Bid was the best option.

[15] The consideration from the Buyer under the Sale Agreement consists of an amount equal to the aggregate amount of the Applicants' secured debt obligations (of approximately \$57,516,345) less U.S.\$8,000,000, to be the subject of the Deerfield earn-out, as well as a cash component to satisfy priority administrative obligations and wind-down costs. In connection with the proposed Terminated Employee Fund Order, the Buyer will also pay \$500,000 to the Monitor for the purposes of establishing the Terminated Employee Fund.

[16] The Buyer has engaged in discussions with certain customers of the business, and on April 9, 2024, the Buyer, the Applicants and Deerfield reached an agreement in principle to waive a condition relative to the customers (and related matters).

[17] This waiver, and the conversion of repayment of U.S.\$8,000,000 of the amounts owing to Deerfield to an earn-out under a separate agreement, were addressed in an amendment to the Sale Agreement on April 12, 2024.

### **Details and Results of the Proposed Transaction**

[18] Following the Transaction, the Applicants comprising the Company (again, as defined in the Applicants' materials) will retain substantially all of the assets owned by them on closing, and will retain certain liabilities, including up to approximately \$10.8 million of the Applicants' pre-filing trade payables, liabilities to continuing employees, and liabilities relating to retained contracts, permits and licences.

[19] The ARVO, as noted, will provide that upon completion of the Transaction, ResidualCo will be added as an Applicant in these proceedings and the Applicants comprising the Company will be released from the purview of these proceedings, save and except for the ARVO.

[20] The ARVO also provides for a release of all claims against the current and former directors, officers, shareholders, employees, legal counsel and advisors of each of the Applicants, and of the Monitor and its legal counsel, the Buyer, and Deerfield (and in each case –the current and former directors, officers, partners, employees, consultants, legal counsel and other advisors), with the exception that claims against current directors and officers of the Applicants are preserved to the extent necessary to maintain claims against any insurance policies that may be available to pay insured claims (and limited to those claims and any proceeds).

[21] With respect to the Ancillary relief sought, the Stay Extension Order currently in place, granted on April 10, 2024, will expire on May 3, 2024, whereas the Sale Agreement provides for an outside date of June 7, 2024. As such, the Applicants seek an extension of the stay period to June 17, 2024.

[22] It is contemplated that the vast majority of the Company's 279 employees will continue in their employment following the closing of the Transaction (the Sale Agreement confirms that not less than 250 employees will be retained). However, it is also contemplated that a small number of employees may be terminated prior to the closing of the Transaction.

[23] As a result of the reverse vesting feature of the Transaction, CPL Canada will emerge from these proceedings, meaning that there will be no triggering event as defined in and required by WEPPA. To address this, the Applicants seek a declaration that ResidualCo (which is expected to be bankrupted), is deemed to be the former employer of former employees of the Applicants who were or are terminated between June 15, 2023, (being six months prior to the commencement of the CCAA proceedings) and the closing date, solely for the purposes of termination pay and severance pay pursuant to WEPPA.

[24] Inasmuch as, upon closing of the Transaction, all then current directors and officers of the Remaining Applicants are expected to resign from these positions, with the result that the Remaining Applicants will have no directors or officers, the Ancillary Relief Order provides that the Monitor will be authorized and empowered to exercise any powers properly exercised by the boards of directors of each of the Remaining Applicants, effective as of the closing date.

[25] The Sale Agreement contemplates repayment in full of the Applicants' secured debt as part of the closing process (subject to the Deerfield earn-out). The Applicants therefore request authority that they and the Monitor may make certain distributions from the net proceeds of the Transaction to their secured creditors.

[26] The Applicants also seek approval of the Monitor's reports and activities in connection with these proceedings.

[27] Liabilities owing to Terminated Employees are Excluded Liabilities under the Sale Agreement, and so the Applicants seek approval of the Terminated Employee Fund Order under which the Buyer will fund and the Monitor will administer the Terminated Employee Fund in the amount of not less than \$500,000. This Order also contemplates and provides for one-time Hardship Benefit payments for those employees facing termination of their employment in the circumstances of the CCAA proceedings.

### **Jurisdiction to Approve the Sale Agreement and Transaction**

[28] Under section 36 of the CCAA this court has jurisdiction to approve a sale outside the ordinary course of business. I agree with Penny J.'s observation in *Harte Gold Corp (Re)*, 2022 ONSC 653 that, because the structure of a transaction employing an RVO "typically does not involve the debtor 'selling or otherwise disposing of assets outside the ordinary course of business as provided in s. 36(1)", but is instead "really a purchase of shares of the debtor and "vesting out" from the debtor to a new company, of unwanted assets, obligations and liabilities" (as here) it is not apt to say that jurisdiction to issue an RVO is founded in s. 36(1).

[29] I also agree, however, with Penny J.'s comments (and those of a number of other judges who have discussed the issue) that section 11 of the CCAA, as broadly interpreted in the relevant jurisprudence, does provide the jurisdiction to grant an RVO, so long as the discretion under s. 11 is exercised in accordance with the objects and purposes of the CCAA. It is in this way, again as observed by Penny J. that the analytical framework of s. 36 of the CCAA can be applied to an RVO transaction, even though s. 36 "may not support a standalone basis for the jurisdiction in an RVO situation".

[30] Finally, also from *Harte*, I echo Penny J.'s caution that "it would be wrong to regard employment of the RVO structure in an insolvency situation as the "norm" or something that is routine or ordinary course." Despite the increasing use of RVOs in recent years, I agree with Penny J. that such a structure should continue to be considered an unusual and extraordinary measure, and only available in limited circumstances.

### **Observations and Conclusions re Relief Sought**

[31] That said, in my view the circumstances in this case justify the use of an RVO structure.

[32] By reference to s. 36(3) of the CCAA, and to the frequently cited principles in *Royal Bank of Canada v. Soundair Corp.* (1991), 83 DLR (4th) 76 (Ont. CA) as well as those enunciated in *Nortel Networks Corporation (Re)*, (2009) OJ No 3169 (QL) ONSC), and the touchstones articulated in *Harte*, I note:

- (a) The solicitation process leading to the Sale Agreement was reasonable. The Applicants and their Financial Advisor spent about three months on solicitation efforts, involving contacting 445 potentially interested parties, resulting in 11 LOIs being received from prospective bidders and several submissions being received before the Qualified Bid Deadline, including the successful Aterian Bid;
- (b) The consideration under the Sale Agreement is fair and reasonable and will result in repayment in full of the Applicants' secured debt (subject to Deerfield's earn-out) totaling approximately \$58 million and the retention of trade creditor liabilities of up to \$10.8 million;
- (c) The Transaction benefits the economic community, in that it results in the continuation of the CPL business as a going concern, in turn meaning that the vast majority of the Applicants' employees will keep their jobs, and that customer and supplier relationships will be preserved. Any terminated employees will have access to a hardship benefit and the arrangement to access WEPPA;
- (d) The Transaction is supported by the Monitor, and the process leading to the Transaction included consultation with key stakeholders, who also support it;
- (e) There is no better viable alternative available; and,
- (f) The criteria in s. 36(7) are met, in that the Applicants have and will continue to pay all employee wages and compensation referred to in paragraph 6(5)(a) and do not owe any obligations of the type described in paragraph 6(6)(a).

[33] As noted above, where courts have determined reverse vesting orders to be appropriate, it is frequently in a setting where, as here, the debtor operates in a highly regulated environment in which its existing permits, licences or other rights are difficult or impossible to assign to a purchaser.

[34] The Transaction also appears to balance stakeholder interests. There is no evidence of creditors who will be materially disadvantaged by the reverse vesting structure of the transaction, and indeed the Transaction preserves creditors' rights to the extent they would have been available in an asset sale scenario.

[35] I am prepared to grant the releases sought for the various officers and directors and others.

[36] *In Lydian International Limited (Re)*, 2020 ONSC 4006, Morawetz CJ summarized certain non-exhaustive factors relevant to the approval of releases in CCAA proceedings. In my view the releases sought here are aligned with the *Lydian* factors. The released parties have been and will continue to be important in facilitating the CCAA proceedings and the Transaction, and the continued involvement of the Applicants, the Buyer, the Monitor and Deerfield and their respective professional advisors will continue to be critical in the restructuring effort.

[37] The releases are thus rationally connected to the purposes and benefits of the Transaction, and they are fair, reasonable and not unduly broad. As further evidence that that is the case, all



parties on the service list have been provided with notice of the proposed releases, and no stakeholder has objected.

### **Approval of Orders**

[38] For all of these reasons, I approve the ARVO.

[39] I also approve the Ancillary Relief Order. I find that the debtor company has been acting in good faith and with due diligence, and that no creditor will be prejudiced by the extension sought. That extension will allow the necessary time for the Transaction to close, and I note that the Monitor's Fourth Report says that the Applicants are expected to have sufficient liquidity to continue operations during the contemplated extension.

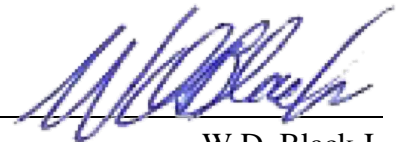
[40] I also approve the WEPPA declaration within the Ancillary Relief Order, in that it will assist the modest number of employees whose employment has been or will be terminated to access termination and severance pay.

[41] I agree that the Monitor's powers should be expanded in the fashion contemplated by the Ancillary Relief Order. Given the planned resignation of directors and officers, it will be important for the Monitor to have the necessary powers to, among other things, wind down the CCAA proceedings and assign or cause any of the Remaining Applicants to be assigned into bankruptcy.

[42] It is also appropriate that the Ancillary Relief Order authorize the Applicants and the Monitor to make the distributions contemplated from the net proceeds resulting from the closing of the Transaction, and I approve the proposed distributions.

[43] I am also approving the Monitor's activities and reports (including the most recent Fourth Report). I find that the Monitor's conduct and activities have been undertaken in good faith and to the benefit of all stakeholders.

[44] Finally, I also approve the Terminated Employee Fund Order. As noted, relatively few employees are expected to lose their positions, but for those who have, or will be terminated, I find that the Terminated Employee Fund is an appropriate mechanism.



W.D. Black J.

**DATE:** April 17, 2024

## Athabasca Minerals

### INDEX

<b>Tab</b>	<b>Document</b>
1	Pages to Term Loan Agreement dated February 16, 2023
2	Pages to Subscription Agreement dated March 28, 2024
3	Approval and Reverse Vesting Order dated April 19, 2024

**NON-REVOLVING TERM LOAN AGREEMENT**

**AMONG**

**ATHABASCA MINERALS INC.  
as Borrower**

**and**

**JMAC ENERGY SERVICES LLC  
as Lender**

**Dated as of February [16], 2023**

monitoring, including without limitation site visits (upon reasonable advance notice to any Borrower during regular business hours), or enforcement of this Agreement and any other Loan Documents (the "**Loan Fees**").

## **9.2 Illegality**

If the introduction of or any change in Applicable Law, regulation, treaty or official directive, or regulatory requirement (whether or not having the force of law) or in the interpretation or application thereof by any court or by any Governmental Authority charged with the administration thereof, makes it unlawful, or prohibited for the Lender (acting reasonably and in good faith) to make, to fund or to maintain the Loan or a portion of the Loan or to perform their obligations under this Agreement, the Lender may, by written notice to the Borrower terminate their obligations under this Agreement to make the Loan or perform such obligations and the Borrower shall repay the Loan in a reasonably prompt period of time (or at the end of such period as the Lender in its discretion agrees acting in good faith) together with all accrued but unpaid interest and fees as may be to the date of payment.

## **9.3 General Indemnity**

Except as otherwise provided for herein, the Borrower hereby covenants with the Lender that it shall at all times hereafter keep the Lender indemnified and held harmless from and against all suits (whether founded or unfounded), actions, proceedings, judgments, demands or claims instituted or made against the Lender, and all costs, losses, liabilities, damages and expenses (including all reasonable legal fees on a solicitor and his own client basis) incurred by the Lender, in any way relating to, arising out of, or incidental to (i) the Lender entering into or being a party of any of the Loan Documents, or by reason of their exercising or performing any right, power or obligation under any of the Loan Documents or in connection with their interest in any Lien granted under the Loan Documents, or (ii) the breach by or non-compliance with any Environmental Law by any mortgagor, owner or lessee of any property or any of the properties now or previously used by the Borrower (in each case, except to the extent that the Borrower is the prevailing party in any proceeding against the Lender and only to the extent that the same is incurred by the Lender as a result of entering into or being a party to the Loan Documents or exercising or performing any right, power or obligation thereunder). This indemnity shall extend to the Lender and the officers, directors, employees, shareholders and assignees of the Lender (collectively, the "**Indemnitees**") provided that this indemnity shall not apply to any matters caused by the gross negligence or wilful misconduct of the Indemnitees. This indemnity shall survive the termination of this Agreement.

## **ARTICLE 10 MISCELLANEOUS**

### **10.1 Severability**

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

### **10.2 Assignment**

The Borrower may not assign or otherwise encumber its rights or obligations hereunder. Until April 30, 2023, the Lender may not assign or otherwise encumber its rights or obligations hereunder, provided that, at any time following April 30, 2023, the Lender may assign the Loan and the Loan Documents, or any matter related thereto upon providing the Borrower with five (5) Business Days prior written notice.

**SUBSCRIPTION AGREEMENT**

BETWEEN:

**ATHABASCA MINERALS INC.**

- and -

**JMAC RESOURCES LTD.**

March 28, 2024

in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.

## **ARTICLE 4 CLOSING**

### **4.1 Date, Time and Place of Closing**

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained prior to the Outside Date.

### **4.2 Effectiveness of Reverse Vesting Order**

Subject to the other terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effective thereto, the Company and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

### **4.3 Closing**

On the Closing Date, subject to the conditions set forth in Sections 5.1, 5.2 and 5.3 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence (the “**Closing Sequence**”):

- (a) first, JMAC LLC, shall pay the Membership Interest Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (b) second, the Purchaser shall deliver the Escrow Amount, if applicable, pursuant to Section 7.10, to the Proposal Trustee;
- (c) third, JMAC LLC, shall pay the Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (d) fourth, the Companies shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (e) fifth, all of the Companies’ right, title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; and (ii) such Transferred

in compliance with all Applicable Law and without limiting the generality of the foregoing, all Applicable Law relating to privacy.

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On the Closing Date, subject to the conditions set forth in Sections 5.1, 5.2 and 5.3 hereto being satisfied, complied with, or waived by the applicable Party or Parties, at or before the Outside Date, Closing shall take place in the following sequence (the “**Closing Sequence**”):

- (a) first, JMAC LLC, shall pay the Membership Interest Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (b) second, the Purchaser shall deliver the Escrow Amount, if applicable, pursuant to Section 7.10, to the Proposal Trustee;
- (c) third, JMAC LLC, shall pay the Purchase Price to the Proposal Trustee, on behalf of the Company, to be paid in cash or wire transfer of immediately available funds;
- (d) fourth, the Companies shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (e) fifth, all of the Companies’ right, title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be channeled to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Companies as at the Closing Date, and: (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in paragraph 9 of the Reverse Vesting Order; and (ii) such Transferred

Liabilities shall be transferred to, and assumed by and vest absolutely and exclusively with ResidualCo in consideration for the transfer of the Transferred Assets and the Purchase Price, such that the Transferred Liabilities shall be novated and become obligations of ResidualCo which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Companies in respect of any such liability or obligation, and shall no longer, under any circumstances, be or represent obligations of the Companies;

- (f) sixth, each Common Share outstanding immediately prior to the Closing Date shall be transferred to ResidualCo and, in consideration therefor, ResidualCo shall issue one (1) ResidualCo Share for each Common Share outstanding;
- (g) seventh, each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order;
- (h) eighth, the Company shall have paid, assumed or otherwise satisfied the Retained Liabilities in accordance with the Reverse Vesting Order, and upon payment or assumption thereof, other than as set out in the Reverse Vesting Order, the Retained Liabilities shall be and are hereby forever released, expunged and discharged as against the Retained Assets, the Companies, and the Purchased Shares;
- (i) ninth, the Retained Assets will be retained by the Company in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the SISP Order or any other Order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), RSA 2000, c P-7, or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta), RSA 2000, c L-4 or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;
- (j) tenth, the Company and JMAC LLC shall effect the closing of the AMI Silica LLC Transaction pursuant to the terms and conditions of the Membership Interest Purchase Agreement;
- (k) eleventh, the Company shall issue from treasury the Purchased Shares to the Purchaser free and clear of and from any and all Claims, Losses and Encumbrances, and the Aggregate Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of the Companies' creditors;



**THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED March 28, 2024, BETWEEN ATHABASCA MINERALS INC. AND JMAC RESOURCES LTD.**

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**Transferred Assets**

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- the cash or wire transfer of immediately available funds received as the Aggregate Purchase Price;
- all cash, bank balances, funds, deposits or monies owned or held by the Companies or any other Person (including any bank or depository) on behalf of the Companies at Closing and all cash equivalents, securities and investments of the Companies at Closing;
- all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Companies and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;
- all Tax Refunds which arise or relate to any period prior to Closing;
- all prepaid expenses or other security or collateral provided by the Companies; and
- any and all other assets or interests of the Companies other than the Retained Assets.

**Transferred Liabilities**

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- any and all funded indebtedness;
- any and all promissory notes issued by the Companies;
- any and all operating and tax liabilities related to the Transferred Assets, except any Taxes arising from or in relation to the transfer of the Transferred Assets and the Transferred Liabilities;
- any and all operating liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims, and excluding any amounts that would constitute a priority claim on or against any Retained Assets;
- any and all liabilities associated with shareholder loans to the Companies;

- any and all trade claims, trade payables or other unsecured claims;
- any and all liabilities relating to any employment agreements, severance payments and/or termination payments;
- the Administration Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Interim Lender's Charge as described and defined in the SISP Order and any subsequent orders of the Court;
- the Directors' Charge as described and defined in the SISP Order and any subsequent orders of the Court; and
- the KERP Charge as described and defined in the SISP Order and any subsequent orders of the Court,

but for greater certainty shall not include any Outstanding Debt (as defined in the Membership Interest Purchase Agreement), which was set-off against the Membership Interest Purchase Price.

### **Transferred Contracts**

The Transferred Contracts, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- none, unless otherwise agreed by the Company and the Purchaser.

### **Excluded Contracts**

The Excluded Contracts, being those contracts, leases or agreements to be disclaimed and/or otherwise terminated by the Company, or the Companies, includes:

- any contract, agreement, lease, or commitment designated as an Excluded Contract by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

### **Retained Assets**

The Retained Assets, being those assets proposed to be retained by the Company, mean:

- the Real Property;
- all books and records of the Companies, including minute books, books of account, ledgers, general, financial and accounting records, tax returns and other records in the possession or control of the Companies or the Proposal Trustee, but in each case excludes all books and records in respect of the Transferred Assets and Transferred Liabilities, and excludes any email correspondence of the Companies (including

any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;

- the Companies' bank accounts and all agreements related thereto (the Purchaser acknowledges that the balances in such accounts shall be \$0.00 at Closing);
- all regulatory and license attributes of the Companies, including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- letters of intent, nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements (other than any employment agreements);
- all shares of capital stock or other Equity Interests in any Affiliate of the Company;
- any intercompany indebtedness or claim owing to the Company by an Affiliate of the Company;
- all organizational documents, corporate books and records, income tax returns and the corporate seal of the Company;
- any records that are required by law to be retained by the Companies;
- all computer servers and websites;
- all office equipment;
- all tax attributes, if any, of the Companies inherent to them, including all rights related to former tax returns, operating, non-operating, and capital loss balances or carry forwards and tax audits;
- all current and prior director and officer insurance policies of the Company and all rights of any nature with respect thereto running in favor of the Company;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order; and
- all rights, Losses or causes of action by or on behalf of the Companies against any Person.

### **Retained Liabilities**

The Retained Liabilities, being those liabilities proposed to be retained by the Company, mean:

- nondisclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- all new liabilities incurred, assumed or accepted by the Company after Closing;

- any and all regulatory, environmental and government liabilities related to the Lands and Buildings & Fixtures;
- all operating and Tax liabilities which relate to the Retained Assets and which are not unsecured trade claims, trade payables, utility bills or which are not related to any retained operating asset or contract;
- any Taxes and any other liabilities relating to the sale of the 50% voting membership interest of AMI Silica LLC in accordance with the Membership Interest Purchase Agreement;
- any Taxes arising from or in relation to the transfer of the Transferred Assets and the Transferred Liabilities;
- liabilities of the Companies for Taxes arising prior to or on the Closing Date, howsoever arising;
- any intercompany indebtedness or claim owing to an Affiliate of the Company; and
- any other obligation designated as a Retained Liability by the Purchaser in writing to the Company or the Proposal Trustee prior to the closing of the Transactions.

### **Retained Contracts**

The Retained Contracts, being those assets to be retained by the Company through operation of the Reverse Vesting Order, mean:

- all contracts of the Company, unless otherwise agreed by the Company and the Purchaser.

COURT FILE NUMBER &  
BANKRUPTCY ESTATE  
NUMBER  
COURT

25-3009380 / B301 009380

COURT OF KING'S BENCH OF ALBERTA, IN  
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, RSC 1985, C B-3 AS  
AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF  
ATHABASCA MINERALS INC., AMI SILICA  
INC., AMI AGGREGATES INC., AMI  
ROCKCHAIN INC., TERRASHIFT ENGINEERING  
LTD., 2132561 ALBERTA LTD., and 2140534  
ALBERTA LTD.

APPLICANTS

ATHABASCA MINERALS INC., AMI SILICA  
INC., AMI AGGREGATES INC., AMI  
ROCKCHAIN INC., TERRASHIFT ENGINEERING  
LTD., 2132561 ALBERTA LTD., and 2140534  
ALBERTA LTD.

DOCUMENT

**TRANSACTION APPROVAL AND REVERSE  
VESTING ORDER**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**Fasken Martineau DuMoulin LLP**

Attn: Robyn Gurofsky / Jessica Cameron

3400 First Canadian Centre

350-7 Avenue SW

Calgary, AB T2P 3N9

Telephone: (403) 261-9469/261-9468

Facsimile: (403) 261-5351

Email: rgurofsky@fasken.com / jcameron@fasken.com

File No. 318938.00024

**DATE ON WHICH ORDER WAS PRONOUNCED: April 19, 2024**

**LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice J.T. Neilson**

UPON THE APPLICATION of Athabasca Minerals Inc. ("AMI"), AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (collectively, the "**Companies**"), for an order, among other things, approving the reverse vesting share transaction (the "**Transaction**") in respect of AMI



contemplated by the Subscription Agreement between AMI and Badger Mining Corporation (the “Purchaser” or “Badger”) dated February 9, 2024 (the “Subscription Agreement”), and attached as Exhibit “K” to the Third Affidavit of John David Churchill sworn February 26, 2024 (the “Third Churchill Affidavit”);

**AND UPON HAVING READ** the within Notice of Application, the Third Churchill Affidavit, the Fourth Affidavit of John David Churchill sworn March 4, 2024, the Fifth Churchill Affidavit sworn April 5, 2024, including the Settlement Agreement between the Companies and JMAC Energy Services LLC (“JMAC”) dated March 28, 2024, the Third Report of KSV Restructuring Inc. in its capacity as proposal trustee of the Companies (in such capacity, the “Proposal Trustee”) dated February 29, 2024 (the “Third Report”), the Supplement to the Third Report of the Proposal Trustee dated March 7, 2024 (the “Supplemental Third Report”), the Fourth Report of the Proposal Trustee dated April 15, 2024 (the “Fourth Report”), the Affidavits of Service of Kim Picard, sworn March 7, 2024 and April 17, 2024, respectively, the Order of this Court granted on December 12, 2023 (the “First Order”), and the other pleadings previously filed in the within proposal proceedings;

**AND UPON HEARING** the submissions of counsel for the Companies, the Proposal Trustee, the Purchaser, JMAC, and such other counsel in attendance at the hearing of this application:

**IT IS HEREBY ORDERED THAT:**

**SERVICE**

1. Service of the notice of this application for this Order and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and the time for service of this application is abridged to that actually given and this application is properly returnable today.

**CAPITALIZED TERMS**

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement and the First Order, as applicable.

## APPROVAL OF THE TRANSACTIONS

3. The Subscription Agreement and the Transactions contemplated by it are hereby approved, and the execution of the Subscription Agreement by AMI is hereby authorized and approved, with such amendments as AMI and the Purchaser may agree to. AMI is hereby authorized and directed to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions. In the event of any conflict between the terms of the Subscription Agreement and this Order, this Order shall prevail.
4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of AMI proceeding with the Transactions, and no shareholder or other approval shall be required in connection therewith.

## REORGANIZATION

5. Subject to the terms of the Subscription Agreement, upon delivery of a certificate from the Proposal Trustee confirming Closing of the Transactions has occurred, substantially in the form set out in Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
  - a) the Purchaser shall deliver the Purchase Price Balance (for the subscription and purchase of the Purchased Shares), less the amount which is credit bid by the Purchaser pursuant to section 21 of the Interim Financing Agreement between the Companies and Badger in its capacity as Interim Lender dated March 4, 2024 (the "**Credit Bid**"), and the Escrow Amount, if applicable, to the Proposal Trustee, on behalf of and for the benefit of AMI, and such amount shall be dealt with in accordance with the Closing Sequence in the Subscription Agreement;
  - b) the Terminated Employees shall be terminated by AMI or the Companies, as applicable;

- c) all directors of AMI immediately prior to the Closing Date shall be deemed to resign and the new directors named on the Subscription Agreement shall be deemed to be appointed as directors of AMI;
  - d) each issued and outstanding Common Share held by a Company Shareholder immediately prior to the Closing Date shall be exchanged without any further act or formality thereof for consideration in the form of one ResidualCo Share for each Common Share formerly held by each Company Shareholder immediately prior to the Closing Date;
  - e) each Equity Interest that is issued and outstanding immediately prior to the Closing Date, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of AMI shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Reverse Vesting Order; and
  - f) AMI shall, in consideration for the Purchase Price, issue the Purchased Shares to the Purchaser in accordance with the Subscription Agreement, free and clear of and from any and all Claims, Losses and Encumbrances.
6. The Purchaser and AMI, in completing the Transactions, are authorized to:
- a) execute and deliver any documents and assurances governing or giving effect to the Transactions as the Purchaser and/or AMI, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transactions, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transactions, and all such ancillary documents are hereby ratified, approved and confirmed; and



- b) take such steps as are, in the opinion of the Purchaser and/or AMI, necessary or incidental to the implementation of the Transactions.
7. The Proposal Trustee may rely on any documents, assurances, or written notices, from AMI, the Companies, and the Purchaser, as applicable, regarding the fulfillment of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate following the receipt of such document, assurance, or written notice.
  8. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 ("ABCA") shall accept and receive any documents or instruments as may be required to permit or enable and effect the Transactions contemplated in the Subscription Agreement, filed by AMI, and the effective date for any certificate or authorization issued by the Registrar shall be the date of Closing.
  9. The Purchaser, the Companies, and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Reorganization, including, without limitation, the issuance of the Purchased Shares, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Reorganization.
  10. This Order shall constitute the only authorization required by the Purchaser, the Companies, or ResidualCo to proceed with the Transaction, including, without limitation, the Reorganization and, except as specifically provided in the Subscription Agreement, no director or shareholder approval shall be required and no authorization, approval or other action by or notice to or filing with any Governmental Authority or regulatory body exercising jurisdiction in respect of the Companies is required for the due execution, delivery and performance by the Purchaser, the Companies and by ResidualCo of the Subscription Agreement and the completion of the Transaction.

## VESTING OF ASSETS AND LIABILITIES

11. Subject to the terms of the Subscription Agreement, upon delivery of the Proposal Trustee's Certificate, the following, among other things, shall occur and be deemed to occur in accordance with the timing, sequence, terms and conditions set forth in the Subscription Agreement:
  - a) all legal and beneficial right, title and interest of the Companies in and to the Transferred Assets (which, for certainty, does not include the Purchase Price) shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
  - b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo in consideration for the ResidualCo Notes and the Transferred Assets, and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of the Companies;
  - c) the Companies shall be forever released and discharged from all Transferred Liabilities and all Encumbrances securing the Transferred Liabilities, and any obligations thereunder, shall be forever released and discharged in respect of the Companies and the Retained Assets;
  - d) the Retained Assets will be retained by AMI in each case free and clear of and from any and all Claims, Losses and Encumbrances including, as applicable, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by the First Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to *The Lands Title Act* (Alberta) or any other land titles or similar registry system, all of which affect or relate to the Purchased Shares and/or the Retained Assets

shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, including but not limited to those Claims and Encumbrances set forth in the attached **Schedule "B": Claims and Encumbrances**, but shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively the **"Permitted Encumbrances"**);

- e) AMI shall satisfy the amounts owing under the ResidualCo Notes (including on behalf of the Subsidiaries, which in such case shall constitute a contribution of capital by AMI to the Subsidiaries) using the Purchase Price. If the aggregate principal amount of the ResidualCo Notes exceeds the Purchase Price then any such remaining unpaid principal amount of the ResidualCo Notes shall be extinguished for nil consideration and AMI and its Subsidiaries shall have no further liability or obligation to ResidualCo. If the aggregate principal amount of the ResidualCo Notes is less than the Purchase Price then any remaining Purchase Price shall vest in ResidualCo to be administered by the Proposal Trustee (as trustee of ResidualCo) for the benefit of ResidualCo's creditors (which creditors arise from the assumption of the Transferred Liabilities);
- f) the Companies shall cease to be applicants in the Proposal Proceedings and the Companies shall be deemed to be released from the purview of the First Order and all other Orders of this Court granted in relation to the Proposal Proceedings;
- g) ResidualCo shall replace the Companies as applicants and debtor, as applicable, in the Proposal Proceedings and shall be subject to the terms of all Orders granted in the Proposal Proceedings;
- h) the Proposal Trustee's powers shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Proposal Trustee shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and

- i) AMI shall cease to be a reporting issuer by Order of the Alberta Securities Commission and the Ontario Securities Commission under the securities legislation of the jurisdictions in which AMI is a reporting issuer.
12. As of the Effective Time:
  - a) AMI shall continue to hold all right, title and interest in and to the Retained Assets and Retained Contracts, free and clear of all Claims, Losses and Encumbrances other than the Retained Liabilities; and
  - b) AMI shall be deemed to have disposed of the Transferred Assets and shall have no right, title or interest in or to the Transferred Assets.
13. For greater certainty, any person that, prior to the Effective Time, had a Claim, Loss, or Encumbrance other than a Retained Liability against the Companies or their assets, properties or undertakings shall, as of the Effective Time, no longer have any such Claim, Loss, or Encumbrance against or in respect of the Companies or the Retained Assets, but shall have an equivalent Claim, Loss, or Encumbrance, as applicable, against: (a) the Transferred Assets, and (b) all amounts received by ResidualCo in satisfaction of the ResidualCo Notes (together, the “ResidualCo Assets”), to be administered by the Proposal Trustee in ResidualCo from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim, Loss, or Encumbrance had immediately prior to its transfer to ResidualCo, and nothing in this Order limits, lessens, modifies (other than by change in debtor) or extinguishes the Claim, Loss, or Encumbrance of any Person as against the ResidualCo Assets to be administered by the Proposal Trustee in ResidualCo.
14. For greater certainty, from and after the Effective Time, all contracts, leases, licenses, and agreements to which the Companies are a party upon delivery of the Proposal Trustee’s Certificate will be and shall remain in full force and effect upon and following delivery of the Proposal Trustee’s Certificate and no individual firm, corporation, governmental body, agency, or any other entity (collectively a “Person”) who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate

its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution, or other remedy) or make any demand under or in respect of any such arrangement, and no automatic termination will have any validity or effect, by reason of:

- a) the insolvency of the Companies or the fact that the Companies sought or obtained relief under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA");
  - b) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings;
  - c) any transfer or assignment, or any change of control of Companies arising from the implementation of the Subscription Agreement, the Transaction, or the provisions of this Order; or
  - d) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Companies).
15. Notwithstanding paragraph 13, all cure costs shall be paid by the Purchaser or ResidualCo, as applicable and as set out in the Subscription Agreement, to the relevant counterparty to a Retained Contract, on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Purchaser or ResidualCo, as applicable, and the relevant counterparty to a Retained Contract.
16. From and after the Effective Time, the Purchaser and/or AMI shall be authorized to take all steps as may be necessary to effect the discharge and release as against AMI and the Retained Assets of the Claims, Losses and Encumbrances that are transferred to and vested in ResidualCo pursuant to this Order.

17. Upon the delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to AMI, the Retained Assets or the Transferred Assets (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transactions, and to discharge and release all Claims, Losses and Encumbrances other than Retained Liabilities against or in respect of the Companies and the Retained Assets, and presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.

#### **RESIDUALCO MATTERS**

18. John David Churchill (the "**First Director**") is hereby authorized, *nunc pro tunc*, to act as director and officer of ResidualCo and, in such capacity, is hereby authorized to take such steps and perform such tasks as are necessary or desirable to facilitate the Transactions.
19. Notwithstanding Section 106 of the ABCA, the First Director shall be entitled to tender his resignation as a director and officer upon the appointment of the Proposal Trustee in respect of ResidualCo in these proposal proceedings and the granting and issuance of this Order.
20. The First Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or wilful misconduct on their part.
21. ResidualCo shall be deemed to be the former employer of any former employees of AMI or the Companies who were terminated between the filing date, November 13, 2023, and the Effective Time, if any, whose claims against the Companies are transferred to ResidualCo pursuant to this Order, provided that such deeming: (i) shall be effective

immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program*. For greater certainty, the Terminated Employee Claims shall be and constitute Transferred Liabilities which, pursuant to this Order and the Closing Sequence, shall be discharged as against AMI and transferred to ResidualCo.

22. The administration of ResidualCo shall remain subject to the Proposal Trustee's appointment and oversight, and this Court's oversight and these proposal proceedings.
23. Following the satisfaction and discharge of all Transferred Liabilities, all outstanding ResidualCo Shares shall be cancelled for either: (i) no consideration; or (ii) in the event the Transferred Assets are sufficient to satisfy all Transferred Liabilities against ResidualCo, and notwithstanding any provision of the ABCA, such amounts as determined by the Proposal Trustee, in its capacity as Proposal Trustee or in its capacity as bankruptcy trustee, in its sole discretion. Following the foregoing, all such ResidualCo Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of ResidualCo shall be deemed terminated and cancelled in accordance with and pursuant to the this Order. The record date for such payment shall be set as the date of granting of this Order.
24. In addition to and without limiting the rights and protections afforded to the Proposal Trustee pursuant to the BIA, the First Order, and any subsequent Order granted by this Court in the within proceedings, the Proposal Trustee and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order or administering ResidualCo, save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Proposal Trustee pursuant to the First Order, any further Order granted in these proceedings or under the BIA shall continue to apply.

## DISTRIBUTIONS & DISCHARGES OF PRIORITY CHARGES ON CLOSING

25. Upon exercise of the Credit Bid for the full amount of the indebtedness owing under the Interim Financing Agreement, all such indebtedness shall be deemed repaid in full by the Companies and the Interim Lender's Charge shall be released and discharged as against ResidualCo and the Transferred Assets.
26. As at the Effective Time, from the net proceeds received from the Purchase Price in satisfaction of the ResidualCo Notes, the Proposal Trustee is hereby authorized and empowered to make the following distributions in accordance with the below priority sequence:
- a) **Settlement Amount** – The Settlement Amount shall be paid to JMAC Energy Services LLC in accordance with the terms of the Settlement Agreement and the Settlement Approval Order granted by this Court on April 19, 2024;
  - b) **Administration Charge** – The outstanding reasonable fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, and the Companies' counsel, in each case, incurred at their standard rates and charges, which priority payment shall collectively not exceed \$350,000, being the quantum of the approved Administration Charge. The Administration Charge shall otherwise not be released or discharged at this time, and will continue to attach to ResidualCo and the ResidualCo Assets to secure payment of the ongoing professional fees that might be incurred by the Proposal Trustee, the Proposal Trustee's counsel, or the Companies' counsel;
  - c) **Sale's Advisor Charge** – The outstanding obligations owing by the Companies to the Sales Advisor pursuant to the Engagement Letter between the parties dated December 5, 2023 and previously attached to the First Affidavit of David Churchill, sworn December 6, 2023 (the "**First Churchill Affidavit**") as Confidential Exhibit "1", which priority payment shall not exceed \$450,000, being the quantum of the Sale's Advisor Charge, and upon payment of such



amount the Sale's Advisor Charge shall be released and discharged as against ResidualCo and the ResidualCo Assets; and

- d) **KERP Charge** – The outstanding obligations owing by the Companies in accordance with the terms set forth in the Companies' key employee retention plan, as set forth in Confidential Exhibit "4" to the First Churchill Affidavit, which priority payment shall not exceed \$260,000, being the quantum of the KERP Charge, and upon payment of such amounts the KERP Charge shall be released and discharged as against ResidualCo and the ResidualCo Assets.

- 27. The Directors' Charge granted pursuant to the First Order is hereby released and discharged as against ResidualCo and the ResidualCo Assets.

#### **RELEASES AND OTHER PROTECTIONS**

- 28. From and after the Effective Time, all Persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Companies, the Purchaser, the Proposal Trustee, the First Director, or the Retained Assets, in any way relating to, arising from or in respect of:

- a) the Transferred Assets;
- b) any and all Claims, Losses or Encumbrances other than the Retained Liabilities against or relating to the Companies, the Transferred Assets or the Retained Assets existing immediately prior to the Effective Time;
- c) the insolvency of the Companies prior to the Effective Time;
- d) the commencement or existence of the notice of intention proceedings; or
- e) the completion of the Transactions.

- 29. From and after the Effective Time, the Purchaser and the Companies shall be released from all Claims, Losses and Encumbrances with respect to any Taxes of, in respect of, or

that relate to, the Companies, including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Companies (including their Affiliates and any predecessor corporations) pursuant to Sections 160 and 160.01 of the *Income Tax Act* (Canada) and Section 325 of the GST Legislation and including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Companies; provided, as it relates to the Purchaser and the Companies, such release shall not apply to any Taxes in respect of the business and operations conducted by the Companies after the Effective Time. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes or obligations in respect thereof that are transferred to ResidualCo.

30. From and after the Effective Time, (a) the Companies, and their respective current directors, officers, employees, legal counsel, representatives and advisors; (b) the Proposal Trustee, and its employees, representatives and legal counsel, (c) the Purchaser, and its current directors, officers, employees, legal counsel, representatives and advisors, (d) Canaccord Genuity Corp., in its capacity as Sales Advisor, and its employees and representatives, and (e) the First Director (collectively, the “**Released Parties**” and each a “**Released Party**”) shall be and are hereby released and discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time in any way relating to, arising out of, or in respect of, these proposal proceedings including the implementation of the Transaction and Settlement Agreement, the administration of ResidualCo, or with respect to their respective conduct in these proposal proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred, and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party.

31. Other than as provided for in the Subscription Agreement, no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these proposal proceedings or ResidualCo, except with prior leave of this Court on not less than fifteen (15) days' prior written notice to the applicable Released Party and upon further order security, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

### MISCELLANEOUS MATTERS

32. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), AMI and the Companies are authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Companies' records pertaining to past and current employees of the Companies. The Purchaser shall maintain and protect the privacy of such information in accordance with Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by AMI prior to the Effective Time.
33. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser.
34. Notwithstanding:
- a) the pendency of these proceedings;
  - b) any application for a bankruptcy Order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership Order issued pursuant to any such application; or
  - c) the provisions of any federal or provincial statute,

the execution of the Subscription Agreement and the implementation of the Transactions shall be binding on any trustee or other administrator in respect of ResidualCo and any trustee in bankruptcy or receiver that may be appointed in respect of the Companies and

shall not be void or voidable by creditors of ResidualCo or the Companies, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

35. Following the Effective Time, the style of cause of these proposal proceedings shall be hereby amended by being deleted and replaced in its entirety by the following:

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY  
ACT, RSC 1985, C B-3 AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF 2585929 ALBERTA LTD.

36. The Companies, the Purchaser, the Proposal Trustee, and any other interested party shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
37. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Subscription Agreement and all amendments thereto, in connection with any dispute involving the Companies or ResidualCo, and to adjudicate, if necessary, any disputes concerning the Companies or ResidualCo related in any way to the Transactions.
38. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, including the State of Wisconsin, United States, and the State of North Dakota, United States, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make

such orders and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

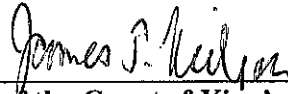
39. Service of this Order shall be deemed good and sufficient:

a) By serving same on the persons who were served with notice of this Application and any other parties attending or represented at the hearing of this Application; and

b) By posting a copy of this Order on the Proposal Trustee's website at: <https://www.ksvadvisory.com/experience/case/athabasca-minerals>.

40. Service of this Order on any other person is hereby dispensed with.

41. Service of this Order may be effected by facsimile, electronic mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



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**Justice of the Court of King's Bench of Alberta**

**Schedule "A" - Form of Proposal Trustee's Certificate**

COURT FILE NUMBER & **25-3009380**  
BANKRUPTCY ESTATE  
NUMBER

Clerk's Stamp

COURT COURT OF KING'S BENCH OF  
ALBERTA, IN BANKRUPTCY &  
INSOLVENCY

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*,  
RSC 1985, C B-3 AS AMENDED

AND IN THE MATTER OF THE NOTICE  
OF INTENTION TO MAKE A  
PROPOSAL OF ATHABASCA  
MINERALS INC., AMI SILICA INC.,  
AMI AGGREGATES INC., AMI  
ROCKCHAIN INC., TERRASHIFT  
ENGINEERING LTD., 2132561  
ALBERTA LTD., and 2140534 ALBERTA  
LTD.

DOCUMENT **Proposal Trustee's Certificate**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Fasken Martineau DuMoulin LLP**  
Attn: Robyn Gurofsky / Jessica Cameron  
3400 First Canadian Centre  
350-7 Avenue SW  
Calgary, AB T2P 3N9  
Telephone: (403) 261-9469/261-9468  
Facsimile: (403) 261-5351  
Email: rgurofsky@fasken.com / jcameron@fasken.com  
File No. 318938.00024

## RECITALS

- A. On November 13, 2023, Athabasca Minerals Inc. (“AMI”), AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., TerraShift Engineering Ltd., 2132561 Alberta Ltd., and 2140534 Alberta Ltd. (collectively, the “**Companies**”) each filed a notice of intention to make a proposal to their creditors (the “**Proposal Proceedings**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as the proposal trustee of the Companies’ within Proposal Proceedings (and in such capacity the “**Proposal Trustee**”).
- B. Pursuant to an Order of the Honourable Justice Neilson of the Alberta Court of King’s Bench, Judicial District of Edmonton (the “**Court**”) dated April 19, 2024 (the “**Transaction Approval Order**”), the Court approved the transactions contemplated by the Subscription Agreement dated February 9, 2024 (the “**Subscription Agreement**”) between AMI and Badger Mining Corporation (the “**Purchaser**”).
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Subscription Agreement.

### **THE PROPOSAL TRUSTEE CERTIFIES** the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Shares payable on the Closing Date and the Escrow Amount, if applicable, pursuant to the Subscription Agreement and the Transaction Approval Order;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by AMI and/or the Purchaser, as the case may be; and
3. The Transactions contemplated by the Subscription Agreement and the Transaction Approval Order have been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ on \_\_\_\_\_, 2024.

**KSV Restructuring Inc., in its capacity as  
Proposal Trustee of and not in its personal  
or corporate capacity**

**Per:** \_\_\_\_\_

Name: Andrew Basi

Title: Managing Director



**SCHEDULE B – CLAIMS & ENCUMBRANCES**

2132561 ALBERTA LTD.					
Registration No.	Registration Date	Expiry Date	Registration Type	Secured Party /Parties	Collateral
23022736175	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	GENERAL:  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
23022736181	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	-

**2140534 ALBERTA LTD.**

<b>Registration No.</b>	<b>Registration Date</b>	<b>Expiry Date</b>	<b>Registration Type</b>	<b>Secured Party /Parties</b>	<b>Collateral</b>
23022736217	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	GENERAL:  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
23022736239	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	-

**AMI AGGREGATES INC.**

<b>Registration No.</b>	<b>Registration Date</b>	<b>Expiry Date</b>	<b>Registration Type</b>	<b>Secured Party /Parties</b>	<b>Collateral</b>
23022736097	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	GENERAL:  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
23022736106	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	-

**AMI ROCKCHAIN INC.**

<b>Registration No.</b>	<b>Registration Date</b>	<b>Expiry Date</b>	<b>Registration Type</b>	<b>Secured Party /Parties</b>	<b>Collateral</b>
23022736128	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	GENERAL:  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
23022736134	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	-

**AMI SILICA INC.**

<b>Registration No.</b>	<b>Registration Date</b>	<b>Expiry Date</b>	<b>Registration Type</b>	<b>Secured Party /Parties</b>	<b>Collateral</b>
23022736156	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	GENERAL:  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
23022736166	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	-

**ATHABASCA MINERALS INC.**

Registration No.	Registration Date	Expiry Date	Registration Type	Secured Party /Parties	Collateral
18061514920	2018-Jun-15	2028-Jun-15	SECURITY AGREEMENT	CANADIAN WESTERN BANK - CREDIT SUPPORT, NAB REGION  201, 12230 JASPER AVENUE EDMONTON, AB T5N 3K3	GENERAL  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. BLOCK 21 - 1992 ATCO 36' X 60' 3 UNIT SIDE BY SIDE OFFICE COMPLEX c/w Misc. Office Furniture, 2-1 250 Gal Holding tank and Pump mounted in 20" storage container *Units Locked * S/N 260927511 , 260927512 , 260927513 , 891
23022735909	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVE SW CALGARY, AB T2P 0X8	-
23022736054	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400-444 7 AVE SW CALGARY, AB T2P 0X8	SERIAL NUMBER GOODS  1. 1FTFXIEVXAF08031 2010 FORD F150 XLT CAB TRUCK MOTOR VEHICLE.  GENERAL  1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.  3. SERIAL NUMBER 244970871 YEAR 1997 MAKE/MODEL ATCO 11' X 44' WELLSITE

					<p>SERIAL NUMBER 260927513 YEAR 1992 MAKE/MODEL 2-1 250 GAL HOLDING TANK</p> <p>SERIAL NUMBER 0043ML01 YEAR 2001 MAKE/MODEL ALLMAND 8 KW S/A LIGHT</p> <p>SERIAL NUMBER 395730ULR819 YEAR 1900 MAKE/MODEL INGERSOLL- RAND L8 8KW S/A</p> <p>SERIAL NUMBER 4FVGMBBBS6U36487 YEAR 2006 MAKE/MODEL INGERSOLL RAND G60 46K</p> <p>SERIAL NUMBER 4FVLTBDAXDU447889 YEAR 2013 MAKE/MODEL DOOSAN L8 8KW S/A LIGHT</p> <p>4. SERIAL NUMBER 5SLBG14207L001495 YEAR 2007 MAKE/MODEL WHISPERWATT 56 KW S/A GEN</p> <p>SERIAL NUMBER NAL1676981116 YEAR 1998 MAKE/MODEL NOBLE 16' X 80' SKIDLESS</p> <p>SERIAL NUMBER NDM477341 YEAR 2013 MAKE/MODEL CASE SKID STEER</p> <p>5. SERIAL NUMBER PE4045T362215 YEAR 2013 MAKE/MODEL JOHN DEERE 75/50KW DOUBLE GEN</p> <p>SERIAL NUMBER SO38209-1 YEAR 2014 MAKE/MODEL JOHN DEERE GEN SET</p> <p>SERIAL NUMBER 0138505/15 YEAR 2014 MAKE/MODEL 175 KW GENSET</p> <p>SERIAL NUMBER NAL- 1660-01-1382 MAKE/MODEL NOBLE ACCEPTANCE SALE</p>
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					<p>TRAILER</p> <p>SERIAL NUMBER NAL-1240-03-1991 MAKE/MODEL NOBLE ACCEPTANCE SCALE TRAILER</p> <p>SERIAL NUMBER INDICATOR 137700093 BASE 05-257 MAKE/MODEL PRECISION GIANT INDICATOR 920I BASE ETS-109080-4PV</p> <p>SERIAL NUMBER INDICATOR 1437200091 BASE 07-323 MAKE/MODEL PRECISION GIANT INDICATOR 920I BASE ETS-109080-4PV</p> <p>SERIAL NUMBER INDICATOR 1447730041 BASE 07-341 MAKE/MODEL PRECISION GIANT INDICATOR 920I BASE ETS-109080-4PV</p>
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**TERRASHIFT ENGINEERING LTD.**

Registration No.	Registration Date	Expiry Date	Registration Type	Secured Party /Parties	Collateral
23022736078	2023-Feb-27	2048-Feb-27	SECURITY AGREEMENT	<p>JMAC ENERGY SERVICES LLC</p> <p>C/O FIELD LLP, 400-444 7 AVENUE SW CALGARY, AB T2P 0X8</p> <p>Email: jon@jmacresources.com</p>	<p>SERIAL NUMBER GOODS:</p> <ol style="list-style-type: none"> <li>1. 1GCSKSE39AZ258063, MOTOR VEHICLE, 2010 CHEVROLET 1500 SILVERADO</li> </ol> <p>GENERAL:</p> <ol style="list-style-type: none"> <li>1. ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.</li> <li>2. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.</li> <li>3. SERIAL NUMBER 08QCEAL0227SY3 MAKE DJI MODEL MAVIC PRO</li> </ol> <p>MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.075 MM</p> <p>MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM</p> <p>MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM</p> <p>MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM</p> <p>MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM</p> <p>SERIAL NUMBER 11156573 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.125 MM</p>

					<p>SERIAL NUMBER 1167323 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.15 MM</p> <p>SERIAL NUMBER 10336815 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.18 MM</p> <p>SERIAL NUMBER 9256880 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.212 MM</p> <p>SERIAL NUMBER 10467149 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.25 MM</p> <p>SERIAL NUMBER 10467139 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.3 MM</p> <p>SERIAL NUMBER 10427069 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.425 MM</p> <p>SERIAL NUMBER 9517316 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.5 MM</p> <p>SERIAL NUMBER 10199236 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.6 MM</p> <p>SERIAL NUMBER 1068906 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 0.71 MM</p> <p>SERIAL NUMBER 1197657 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E- 11 - 1 MM</p> <p>SERIAL NUMBER 10526915 MAKE U.S.A STANDARD TEST</p>
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					<p>SIEVE MODEL ASTM E-11 - 1.18 MM</p> <p>SERIAL NUMBER 7146841 MAKE CANADIAN STANDARD TESTING SIEVE MODEL CAN/CGSB-8.2-M - 0.09 MM</p> <p>SERIAL NUMBER 7476935 MAKE CANADIAN STANDARD TESTING SIEVE MODEL CAN/CGSB-8.2-M - 0.106 MM</p> <p>4. SERIAL NUMBER 7146823 MAKE CANADIAN STANDARD TESTING SIEVE MODEL CAN/CGSB-8.2-M - 0.355 MM</p> <p>SERIAL NUMBER 8469811 MAKE CANADIAN STANDARD TESTING SIEVE MODEL CAN/CGSB-8.2-M - 2 MM</p> <p>SERIAL NUMBER 4227707 MAKE CANADIAN METRIC SIEVE SERIES CAN/CGSB-8.2- M - 20 MM</p> <p>MAKE CANADIAN METRIC SIEVE SERIES MODEL CGSB STANDARD 8 GP2M - 20 MM</p> <p>SERIAL NUMBER 13030711 MAKE VJ TESTING EQUIPMENT MODEL ISO 3310 - 19 MM</p> <p>SERIAL NUMBER 13030748 MAKE VJ TESTING EQUIPMENT MODEL ISO 3310 - 37.5 MM</p> <p>SERIAL NUMBER 12120209 MAKE VJ TESTING EQUIPMENT</p>
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					<p>MODEL ISO 3310 – 50 MM</p> <p>MAKE 200 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM</p> <p>MAKE 201 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM</p> <p>MAKE 202 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM</p> <p>MAKE 203 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM</p> <p>MAKE 204 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.16 MM</p> <p>MAKE 205 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.16 MM</p> <p>MAKE 206 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.16 MM</p> <p>MAKE 207 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM MAKE 208 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM</p> <p>MAKE 209 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM</p> <p>MAKE 210 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM</p> <p>MAKE 211 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM</p>
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					<p>MAKE 212 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM</p> <p>5. MAKE 213 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM</p> <p>MAKE 214 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM</p> <p>MAKE 215 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 1.25 MM</p> <p>MAKE 216 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 1.25 MM</p> <p>MAKE 217 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 1.25 MM</p> <p>MAKE 218 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 1.25 MM</p> <p>MAKE 219 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 2.5 MM</p> <p>MAKE 220 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 2.5 MM</p> <p>MAKE 221 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 5 MM</p> <p>MAKE 222 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 5 MM</p> <p>MAKE 223 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 5 MM</p> <p>MAKE 224 MM DIAMETER METRIC</p>
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					<p>SIEVE MODEL ISO 3310-1 - 5 MM</p> <p>MAKE 225 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM</p> <p>MAKE 226 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM</p> <p>MAKE 227 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM</p> <p>MAKE 228 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM</p> <p>MAKE 229 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 12.5 MM</p> <p>MAKE 230 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 12.5 MM</p> <p>MAKE 231 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 16 MM</p> <p>MAKE 232 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 16 MM</p> <p>6. SERIAL NUMBER 409803 MAKE LABRATORY TEST SIEVE ENDECOTTS LTD MODEL ISO 565 - 25 MM</p> <p>MAKE CANADIAN STANDARD TESTING SIEVE MODEL - 4.75 MM</p> <p>MAKE CANADIAN STANDARD TESTING SIEVE MODEL - 20 MM</p> <p>MAKE STANDARD TESTING SIEVE THE WESTERN GROUP</p>
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					MODEL - 40 MM
23022736089	2023-Feb-27	-	LAND CHARGE	JMAC ENERGY SERVICES LLC  C/O FIELD LLP, 400- 444 7 AVENUE SW CALGARY, AB T2P 0X8  Email: jon@jmacresources.com	-

**SCHEDULE C – PERMITTED ENCUMBRANCES**

Nil.



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TACORA RESOURCES INC.

Applicant

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

PROCEEDING COMMENCED AT TORONTO

**BOOK OF AUTHORITIES OF THE APPLICANT  
(RECONSTITUTED PRELIMINARY  
THRESHOLD MOTION)**

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Lawyers for the Applicant