

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

THE HONOURABLE)
JUSTICE CAVANAGH) TUESDAY, THE 16TH DAY
OF JANUARY, 2024

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE GOOD FAT CO. LTD.**

APPROVAL AND VESTING ORDER

THIS MOTION, made by The Good Fat Co. Ltd. (“**GFC**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between GFC and 1000747000 Ontario Inc. (the “**Purchaser**”) dated December 29, 2023 and appended to the First Report to the Court (the “**Report**”) of Richter Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in GFC’s *Bankruptcy and Insolvency Act* (the “**BIA**”) proposal proceedings (the “**Proposal Proceedings**”), and vesting in the Purchaser GFC’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), was heard this day by Zoom judicial video conference.

ON READING the Motion Record of GFC, including the Affidavit of Eric Kimmel sworn January 12, 2024 (the “**Kimmel Affidavit**”) and the exhibits thereto, on reading the Report and on hearing the submissions of counsel for GFC, and counsel for the Proposal Trustee, counsel for the Purchaser and no one else appearing although properly served as appears from the affidavit of Christine Doyle, sworn January 12, 2024, filed,

1. **THIS COURT ORDERS** that the time for service and filing 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.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by GFC is hereby authorized and approved, with such minor amendments as GFC may deem necessary and to which the Proposal Trustee consents. GFC is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as **Schedule A** hereto (the "**Proposal Trustee's Certificate**"), all of GFC's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all 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, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Osborne dated January 16, 2024; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. **THIS COURT ORDERS** that the Proposal Trustee may rely on written notice from GFC and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Proposal Trustee's Certificate.
5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee's Certificate

all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, GFC is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the GFC's records pertaining to GFC's past and current employees. The Purchaser shall maintain and protect the privacy of such information 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 GFC.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of GFC and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of GFC;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of GFC and shall not be void or voidable by creditors of GFC, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DIRECTS** that the Proposal Trustee is hereby authorized, directed and empowered to distribute, as proceeds of the Transaction, the Warrants to the 2023 Noteholders (the “**Distribution**”), as such terms are defined in the Sale Agreement.

10. **THIS COURT ORDERS** that any payments or deliveries made in accordance with this Order by the Proposal Trustee, shall not constitute a "distribution" and the Proposal Trustee shall not constitute a "legal representative" or "representative" of GFC or "other person" for the purposes of Section 159 of the *Income Tax Act* (Canada), Section 270 of the *Excise Tax Act* (Canada), Section 46 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 in the Provinces or Territories that GFC conducted business in (collectively, the "**Statutes**"), and the Proposal Trustee in making any such payment or deliveries in accordance with this Order is not "distributing", nor shall it be considered to have "distributed", such funds or assets for the purposes of the Statutes, and the Proposal Trustee shall not incur any liability under the Statutes for making any payments or deliveries in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and the Proposal Trustee shall not have any liability for any of GRC'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 either the Proposal Trustee under or pursuant to the Statutes or otherwise at law, arising as a result of the distributions and deliveries in accordance with this Order, and any claims of such nature are hereby forever barred.

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

- (a) the pendency of these Proposal Proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA or other applicable legislation in respect of the Applicants and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) any provisions of any federal or provincial legislation,

the Distribution shall be final and irreversible and made free and clear of all Claims, including the Charges, and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of GFC and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under 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.

12. **THIS COURT ORDERS** that, except for gross negligence or willful misconduct, the Proposal Trustee shall incur no liability with respect to paragraph [9] of this Order including the distribution of the Warrants payment of any amounts or its administration of any accounts.

13. **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 GFC and the Proposal Trustee 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 GFC or the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist GFC or the Proposal Trustee and their respective agents in carrying out the terms of this Order.



Digitally signed
by Mr. Justice
Cavanagh

Schedule A – Form of Proposal Trustee’s Certificate

Court File No. BK-24-03026717-0031
Estate File No: 31-3026717

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
THE GOOD FAT CO. LTD.**

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice (the “**Court**”) dated January 16, 2024, the Court approved the agreement of purchase and sale made as of December 29, 2023 (the “**Sale Agreement**”) between The Good Fat Co. Ltd. (“**GFC**”) and 1000747000 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the GFC’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery to the Purchaser by Richter Inc. (“**Richter**”), in its capacity as proposal trustee (the “**Proposal Trustee**”) in GFC’s *Bankruptcy and Insolvency Act* proposal proceedings, of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by GFC and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

B. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by GFC and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ 2024.

**RICHTER INC., in its capacity as Proposal
Trustee of The Good Fat Co. Ltd., and not in
its personal capacity**

Per: _____

Name:

Title:

55544329.4

**IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF SOURCE ONE THE GOOD FAT CO. LTD.**

Court File No: BK-24-03026717-0031
Estate File No. 31-3026717

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

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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