Court File No. BK-26-03389454-0032

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

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT,* R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GOOD NATURED PRODUCTS PACKAGING BRAMPTON GP INC., GOOD NATURED PRODUCTS PACKAGING CANADA GP INC., GOOD NATURED PRODUCTS INDUSTRIAL CANADA GP INC., GOOD NATURED PRODUCTS INDUSTRIAL CANADA LP, GOOD NATURED PRODUCTS PACKAGING BRAMPTON LP, GOOD NATURED PRODUCTS PACKAGING CANADA LP and GOOD NATURED REAL ESTATE HOLDINGS (ONTARIO) INC.

FACTUM OF THE DEBTORS
(Returnable August 31, 2026)

August 27, 2026

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TO: SERVICE LIST

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TABLE OF CONTENTS

Page No.

Court File No. BK-26-03389454-0032

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FACTUM OF THE MOVING PARTY

PART I - INTRODUCTION

1. On June 22, 2026, Good Natured Products Industrial Canada LP ("**Industrial LP**"), Good Natured Products Industrial Canada GP Inc. ("**Industrial GP**"), Good Natured Products Packaging Brampton LP ("**Brampton LP**"), Good Natured Products Packaging Brampton GP Inc. ("**Brampton GP**"), Good Natured Products Packaging Canada LP ("**Packaging Canada LP**"), Good Natured Products Packaging Canada GP Inc. ("**Packaging Canada GP**") each filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and TDB Restructuring Limited ("**TDB**") was appointed as proposal trustee (in such capacity, the "**Proposal Trustee**"). On July 10, 2026, Good Natured Real Estate Holdings (Ontario) Inc. ("**Ontario RE**" and collectively, the

"**Debtors**"[1]) filed an NOI pursuant to section 50.4(1) of the BIA, and TDB was also appointed as the Proposal Trustee.

2. This factum is filed in support of the Debtors' motion for an extension of the stay of proceedings pursuant to section 50.4(9) of the BIA to October 20, 2026 (the "**Stay Extension**").

3. Since the Court granted the Debtors' first stay extension on July 21, 2026, the Debtors have made substantial progress in implementing their restructuring.

4. On July 28, 2026, this Court approved the two-stage transactions with Jones Healthcare Group, Inc. ("**Jones**") involving the sale of substantially all of the operating assets used in the Debtors' Brampton manufacturing operations and the subsequent sale of the real property municipally known as 5 Abacus Road, Brampton, Ontario (the "**Brampton Facility**").

5. The first stage of those transactions has been completed. The sale of the Brampton operating assets closed on July 31, 2026. Jones is in occupancy of the Brampton Facility pursuant to the Court-approved interim lease.

6. The Debtors, the Proposal Trustee and Jones are working towards satisfaction or waiver of the remaining conditions precedent to complete the sale of the Brampton Facility.

7. The Debtors are pursuing the orderly realization of their remaining assets, including through the August 11, 2026 auction of certain machinery and equipment owned by Industrial LP.

[1] "**Debtors**" is defined as the Industrial LP, Industrial GP, Brampton LP, Brampton GP, Packaging Canada LP, Packaging Canada GP and Ontario RE.

8. The requested Stay Extension will provide the Debtors and the Proposal Trustee with the additional time required to complete the sale of the Brampton Facility, continue the remaining restructuring and realization steps, and advance these NOI proceedings toward the formulation of a proposal for the benefit of stakeholders.

9. The Proposal Trustee supports the Stay Extension.[2]

PART II - SUMMARY OF FACTS

10. The facts relevant to this motion are summarized below and are set out more fully in the second report of the Proposal Trustee dated August 26, 2026 (the “**Second Report**”). Capitalized terms used herein that are not otherwise defined have the meanings given to them in the Second Report.

11. The Debtors manufacture and distribute sustainable packaging products, with a particular focus on the development and manufacture of plant-based packaging products in Canada and the United States.[3]

12. On July 21, 2026, this Court granted an order extending the time for the Debtors to file a proposal and the associated stay of proceedings to September 5, 2026.[4] On July 28, 2026, this Court granted the Asset Approval and Vesting Order, the Real Property Approval and Vesting Order and the Ancillary Relief Order in connection with the Debtors’ restructuring transactions with Jones.[5]

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[2] Second Report of TDB Restructuring Limited (“**TDB**” and in such capacity, the "**Proposal Trustee**") dated August 26, 2026 (“**Second Report**”) at para 41.
[3] Second Report at Appendix “B” para 12.
[4] Second Report at para 2.
[5] Second Report at para 4.

13. The transaction contemplated by the Asset Purchase Agreement closed on July 31, 2026.[6]

14. Jones is occupying the Brampton Facility pursuant to the Interim Lease and is completing its due diligence in respect of the Real Property APS. The sale of the Brampton Facility is forecast to close during the week commencing September 28, 2026.[7]

15. The Debtors are pursuing the realization of their remaining assets. On August 11, 2026, certain machinery and equipment owned by Industrial LP was sold at auction. The Proposal Trustee is facilitating the distribution of the resulting proceeds.[8]

16. The requested Stay Extension will provide the Debtors and the Proposal Trustee with the additional time necessary to complete the Real Property APS, continue the orderly realization of the Debtors' remaining assets, pursue restructuring opportunities in respect of their residual assets and advance these NOI proceedings toward the formulation of a proposal for the benefit of stakeholders.[9]

PART III - STATEMENT OF ISSUES, LAW & AUTHORITIES

17. The sole issue in respect of the relief being sought is whether this Honourable Court should extend the time for the Debtors to file a proposal and the corresponding stay of proceedings to and including October 20, 2026.

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[6] Second Report at para 21.
[7] Second Report at paras 23-25.
[8] Second Report at paras 27-28.
[9] Second Report at para 40.

A. THE STAY EXTENSION SHOULD BE GRANTED

18. Section 50.4(9) of the *BIA* provides that the Court may grant an extension or further extension not exceeding 45 days for any individual extension and not exceeding in the aggregate five (5) months after the expiry of the original 30-day period.[10]

19. The Court may grant an extension pursuant to subsection 50.4(9) where it is satisfied that: (a) the debtor has acted in good faith and with due diligence; (b) the debtor will likely be able to make a viable proposal if the extension being applied for were granted; and (c) no creditor would be materially prejudiced by the extension.[11]

(i) Debtors are acting in Good Faith

20. The Debtors have acted, and continue to act, in good faith and with due diligence.[12] The Debtors are not aware of any creditors that would be prejudiced by the requested stay extension. The Cash Flow Forecast in evidence demonstrates that the Debtors are expected to have sufficient liquidity to fund their post-filing obligations during the proposed extension period.[13]

(ii) A Stay Extension will support a Restructuring

21. The purpose of the *BIA* proposal scheme is rehabilitation, not liquidation. Insolvent companies should have the chance to put forward their proposal.[14] The requested Stay Extension to October 20, 2026 will afford the Debtors additional time to complete the Real Property APS,

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[10] *BIA* at s. 50.4(9).

[11] BIA, s.50.4(9). See also: *The Podcast Exchange Inc. (Re)*, Court File No. BK-25-03244564-0031, Endorsement of Kimmel J. dated September 17, 2025 at paras. 5–9.

[12] Second Report at para 41.

[13] Second Report at para 41. See also: *Field Aviation Company et al. (Re)*, 2026 ONSC 3498 at para. 39.

[14] *Mustang GP Ltd (Re)*, 2015 ONSC 6562 at para 41.

continue the orderly realization of their residual assets and advance these NOI proceedings toward the formulation of a proposal for the benefit of stakeholders.[15]

22. An automatic bankruptcy would, by contrast, immediately bring the Debtors' restructuring efforts to an end.

(iii) No Creditor is Prejudiced by the Stay Extension

23. The Proposal Trustee supports the requested Stay Extension. Since the commencement of these NOI proceedings, the Debtors have maintained ongoing communication with their secured creditors regarding the proposed restructuring.

24. There is no known prejudice that will be suffered by any creditors or other stakeholders by the proposed extension. To the contrary, the proposed extension affords a restructuring opportunity that will preserve value and benefit affected stakeholders.

25. The Cash Flow Forecast appended to the Proposal Trustee’s Second Report demonstrates that the Debtors have sufficient funds to operate throughout the requested Stay Extension.[16]

PART IV - ORDER REQUESTED

26. The Debtors respectfully request that this Honourable Court grant an order extending the stay of proceedings to and including October 20, 2026.

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[15] Second Report at para 41.
[16] Second Report at para 38 and 41, and Appendix “I”.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 27th day of August, 2026.

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SCHEDULE "A"

LIST OF AUTHORITIES

1. *Field Aviation Company et al. (Re)*, 2026 ONSC 3498

2. *Mustang GP Ltd (Re)*, 2015 ONSC 6562

3. *The Podcast Exchange Inc. (Re)*, Court File No. BK-25-03244564-0031, Endorsement of Kimmel J. dated September 17, 2025

I certify that I am satisfied as to the authenticity of every authority.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date August 27, 2026

David Ward/ Mryam Sarkis

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY - LAWS

***Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3**

Extension of time for filing proposal

50.4 (9) The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

> **(a)** the insolvent person has acted, and is acting, in good faith and with due diligence;
>
> **(b)** the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
>
> **(c)** no creditor would be materially prejudiced if the extension being applied for were granted.

Courts vested with jurisdiction

183 (1) The following courts are invested with such jurisdiction at law and in equity as will enable them to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and in other proceedings authorized by this Act during their respective terms, as they are now, or may be hereafter, held, and in vacation and in chambers:

> **(a)** in the Province of Ontario, the Superior Court of Justice.

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