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.

Applicants

NOTICE OF MOTION
(Motion Returnable on November 16, 2026)

The Applicants, 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**") and Good Natured Real Estate Holdings (Ontario) Inc. ("**Ontario RE**", and collectively, the "**Debtors**"), will make a Motion to a Judge presiding over the Commercial List on Monday, November 16, 2026 at 11:30 a.m., or as soon after that time as the Motion can be heard, by video conference via Zoom.

PROPOSED METHOD OF HEARING: The Motion is to be heard

[ ] In writing under subrule 37.12.1(1);

[ ] In writing as an opposed motion under subrule 37.12.1(4);

[ ] In person;

[ ] By telephone conference;

[X] By video conference.

at the following location:

Zoom link to be provided on Case Centre.

THE MOTION IS FOR:

1. An Order substantially in the form of the draft order attached at **Tab** "**3**" to the Motion Record, among other things:

(a) abridges the time for service of the Notice of Motion and the Motion Record herein and dispenses with service on any other person other than those served, if necessary;

(b) authorizes and directs the distribution of the net proceeds of sale of the real property municipally described as 5 Abacus Road, Brampton, Ontario (the "**Brampton Facility**") in the amounts and to the payees set out in the Fourth Report of TDB Restructuring Limited ("**TDB**"), in its capacity as proposal trustee of the Debtors (in such capacity, the "**Proposal Trustee**") (the "**Distribution**");

(c) releases Christopher Emmott and Mark Shepherd, in their capacities as current and former directors of the Debtors, together with the Proposal Trustee, its counsel and counsel to the Debtors (collectively, the "**Released Parties**"), from any liability arising from, relating to, or in connection with the conduct of the business and affairs of the Debtors within these NOI proceedings or for unpaid harmonized sales

tax ("**HST**") liability of the Debtors, subject to the exceptions set out in the draft order (the "**Proposed Releases**");

(d) approves the Fourth Report and the activities of the Proposal Trustee described therein; and

(e) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

2. 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. Facing an urgent liquidity crisis, Packaging Canada LP, Brampton LP, Industrial LP, Packaging Canada GP, Brampton GP and Industrial GP each filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to section 50.4(1) of the *BIA* on June 22, 2026. TDB was appointed as Proposal Trustee. Subsequently, on July 10, 2026, Ontario RE also filed a NOI pursuant to section 50.4(1) of the *BIA*, and TDB was also appointed as the Proposal Trustee.

4. On July 21, 2026, the Court granted an order extending the time for the Debtors to file a proposal pursuant to section 50.4(9) of the *BIA* and the associated stay of proceedings (the "**Stay Period**") to September 5, 2026.

5. On July 28, 2026, the Court granted three orders. The first was an asset approval and vesting order (the "**Asset Approval and Vesting Order**") that, among other things:

(a) approved the agreement of purchase and sale (the "**Asset Purchase Agreement**") between Brampton LP, by its general partner, Brampton GP, as vendor, and Jones Healthcare Group, Inc. ("**Jones**"), as purchaser, for the sale of substantially all of the assets of the Debtors' manufacturing and sustainable packaging operations located at the Brampton Facility; and

(b) provided for the transfer and vesting of the purchased assets in Jones upon closing of the Asset Purchase Agreement.

6. The second order granted by the Court on July 28, 2026, was a real property approval and vesting order (the "**Real Property Approval and Vesting Order**") that, among other things:

(a) approved the agreement of purchase and sale (the "**Real Property APS**") between Ontario RE, as vendor, and Jones, as purchaser, for the sale of the real property comprising the Brampton Facility, in the form substantially agreed to by the parties;

(b) approved the lease between Ontario RE, as landlord, and Jones, as tenant (the "**Interim Lease**"); and

(c) provided for the transfer and vesting of the real property in Jones upon closing of the Real Property APS.

7. The third order was an order (the "**Ancillary Relief Order**") that, among other things:

(a) administratively consolidated the NOI proceedings of the Debtors;

(b) declared that the Debtors met the criteria set out in section 3.2 of the *Wage Earner Protection Program Regulations* for the purposes of subsection 5(5) of the *Wage Earner Protection Program Act, S.C. 2005, c. 47, s. 1*; and

(c) sealed the confidential appendices to the first report of the Proposal Trustee dated July 20, 2026 and the supplementary report of the Proposal Trustee to the first report dated July 24, 2026.

8. On August 31, 2026 the Court granted an order further extending the Stay Period through to October 20, 2026.

9. On October 9, 2026, the Court issued an amended real property approval and vesting order (the "**Amended** Real Property **AVO**") to address technical changes required by Jones' lender and title insurer. On October 19, 2026, the Court further extended the Stay Period to December 4, 2026 and, pursuant to its endorsement of that date (the "**October 19th Endorsement**"), the Debtors are entitled to retain $50,000 from the proceeds of sale of the Brampton Facility.

10. The transaction contemplated by the Real Property APS closed on November 3, 2026. The net proceeds of sale of the Brampton Facility received by Miller Thomson LLP, as set out in the statement of adjustments, were $15,117,930.32. As detailed in the third report of the Proposal Trustee dated October 15, 2026 (the "**Third Report**") and the fourth report of the Proposal Trustee dated November 10, 2026 (the "**Fourth Report**"), the sale of the property located at 15 Waydom Drive, Ayr, Ontario (the "**Ayr Facility**"), over which RBC holds a first ranking mortgage, is scheduled to close at the end of November 2026.

Distribution of the Brampton Sale Proceeds

11. The Toronto-Dominion Bank ("**TD Bank**") holds a first ranking mortgage, and Royal Bank of Canada ("**RBC**") holds a second ranking charge, against the Brampton Facility. The Proposal Trustee has obtained opinions from its independent counsel on the validity and enforceability of the security of TD Bank and RBC.

12. After payment on closing of real estate taxes of $102,685.08 and utilities of $11,024.79, $15,004,220.45 is available for distribution. The Debtors propose that it be distributed as follows: (a) $12,544,303.94 to TD Bank on account of its indebtedness and fees; (b) $79,798.35 to TD Bank's counsel and other advisors; (c) $2,187,702.82 to RBC on account of its indebtedness and legal fees; (d) $16,338.34 to RBC's counsel and other advisors; (e) $50,000.00 to the Debtors pursuant to the October 19th Endorsement; and s(f) $26,077.00 on account of insurance and property taxes for the Ayr Facility, on consent of RBC.

13. RBC has consented to the use of a portion of the proceeds of sale of the Brampton Facility to pay the legal fees of TD Bank and RBC and various insurance, utility and property tax costs relating to the Brampton Facility and the Ayr Facility. The proceeds of the sale of the Ayr Facility are expected to exceed and repay RBC's indebtedness.

14. Upon the Distribution, TD Bank will be repaid in full and RBC will receive substantial repayment. The Proposal Trustee considers the payments to TD Bank, RBC, their respective counsel, the Debtors under the October 19th Endorsement and the amounts consented to by RBC to be reasonable and appropriate.

Proposed Releases

15. Following the unexpected resignation of the Debtors' sole director on January 24, 2025, Mr. Emmott became a director of the Debtors and served until October 25, 2025, when he was replaced by Mr. Shepherd, who had become Chief Executive Officer of the Debtors on January 24, 2025. Mr. Emmott received no remuneration for acting as a director, and Mr. Shepherd was not paid for acting as a director.

16. Under the direction of Mr. Emmott and Mr. Shepherd, the Debtors pursued an orderly, self-directed liquidation that resulted in Wells Fargo Capital Finance Corporation Canada being repaid in full and will result in TD Bank being repaid in full and RBC receiving substantial repayment. The Proposal Trustee is of the view that these recoveries are better than could have been achieved in a bankruptcy, receivership or other liquidation.

17. Brampton LP has HST arrears that may be as high as $1,768,853 as of June 30, 2026, of which approximately $458,268 pre-dates November 15, 2024, approximately $599,844 came due during Mr. Emmott's tenure and approximately $582,963 came due during Mr. Shepherd's tenure. Within insolvency proceedings, the Canada Revenue Agency ("**CRA**") is expected to assess HST liability on an entity-by-entity basis, and directors of Brampton GP may face personal liability for HST owed by Brampton LP.

18. The Proposed Releases are targeted and are not overbroad. They carve out claims covered by the Debtors' insurance policies to the extent of available coverage, and do not release any pre-NOI conduct other than HST liability, any claim arising from gross negligence, wilful misconduct or fraud, or any matter that may not be released under section 50(14) of the *BIA*. The Debtors'

directors and officers insurance is in runoff and may not cover HST arrears. The CRA has been on notice of these proceedings since their commencement.

19. The Proposal Trustee is of the view that the Distribution and the Proposed Releases are reasonable and appropriate, and recommends that the Court grant the relief sought.

Statutory Regime Relied On

20. The provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, including sections 50(14), 50.4, 69 and 183;

21. Rules 1.04, 2.03, 3.02, 16.04 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

22. Sections 97 and 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

23. Such further and other grounds as counsel may advise and as this Honourable Court may permit.

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

(a) The Fourth Report of the Proposal Trustee and the Third Report of the Proposal Trustee; and

(b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

November 10, 2026

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