

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE OSBORNE

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FRIDAY, THE 13TH
DAY OF DECEMBER, 2024

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

IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF THE BODY SHOP CANADA LIMITED, IN
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO (the
"**Applicant**")

ANCILLARY ORDER

THIS MOTION made by the Applicant 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) expanding the powers of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as court-appointed monitor of the Applicant (in such capacity, the "**Monitor**"), (ii) declaring that the Applicant meets certain criteria prescribed by the *Wage Earner Protection Program Regulations*, and (iii) extending the stay of proceedings in respect of the Applicant to March 31, 2025, was heard this day at 330 University Avenue, Toronto, Ontario by videoconference via Zoom.

ON READING the Notice of Motion, the Motion Record of the Applicant, the Affidavit of Jordan Searle sworn December 7, 2024, the Second Report of the Monitor and the Supplement to the Second Report of the Monitor, and on hearing the submissions of counsel for the Applicant, the Monitor, Body and Lotion Inc. (formerly 1001072685 Ontario Inc.) (the "**Purchaser**"), and counsel for the other persons listed on the Participant Information Form, no one appearing for any other person on the service list, although properly served:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and 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** that capitalized terms used herein but not otherwise defined have the definitions given to them in the asset purchase agreement dated as of December 6, 2024 (the “**APA**”), between the Applicant and the Purchaser.

MONITOR’S ENHANCED POWERS

3. **THIS COURT ORDERS** that, in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court granted in these CCAA Proceedings, the CCAA and applicable law, and without in any way altering the obligations of the Applicant in these CCAA Proceedings, including the Applicant’s obligations under the APA and Transaction, effective upon the delivery of the Monitor’s Certificate to the Applicant and the Purchaser, the Monitor is hereby authorized and empowered, but not required to:

- (a) take any and all actions and steps, and execute all agreements, documents, instruments and writings, on behalf of, and in the name of, the Applicant in order to facilitate the performance of any of the Applicant’s powers or obligations, including, without limitation, under the APA and the Transaction (including any matters to be performed by the Applicant during the Post-Closing Period) or any Order of this Court, and to carry out the Monitor’s duties under this Order or any other Order of this Court in these CCAA Proceedings;
- (b) have the authority to sign such agreements, instruments and other documents on behalf of the Applicant as the Monitor deems appropriate, whether in the Monitor’s

name or in the name of and on behalf of the Applicant and execute administrative filings as may be required on behalf of the Applicant, including the accounting, tax and reporting functions on behalf of, and in the name of, the Applicants, in each case based solely upon information in the Applicants' Books and Records, and provided that the Monitor shall incur no liability or obligation to any person with respect to such filings, reporting, statements and records;

- (c) exercise any powers which may be properly exercised by a board of directors of the Applicant and such actions taken by the Monitor are hereby authorized without requiring further action by any person, including any former director or officer of the Applicant;
- (d) conduct, supervise and direct the continuation or commencement of any process or effort to collect or recover any Property (as defined in the Initial Order) or other assets of the Applicant (including any accounts receivable or cash) and to sell or dispose of such Property or other assets in accordance with the Orders of this Court in these CCAA Proceedings, including by filing any claim against the UK Parent in the UK Administration;
- (e) meet and consult with current or former management of (i) the Applicant and/or its affiliates or (ii) the Purchaser and its affiliates, or any of their respective advisors, with respect to the carrying out of its powers and obligations under this Order or any other Order of this Court in these CCAA Proceedings;
- (f) engage, retain, or terminate or cause the Applicant to engage, retain or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Monitor deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties, including such powers

and duties as enhanced pursuant to this Order. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph 3(f) shall thereafter be deemed to be Assistants (as defined in the Initial Order) under the Initial Order;

- (g) perform or cause the Applicant to perform such other functions or duties, and enter into or cause the Applicant to enter into any agreements, disclaim or terminate any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Applicant, the realization and/or sale of all of the Property not transferred pursuant to the Vesting Order, the distribution of any net proceeds of such Property and/or the Transactions, or any other related activities, including, without limitation, in connection with (i) developing and conducting a process for the solicitation, determination and resolution of claims against the Applicant and its present and former directors and officers, and (ii) terminating these CCAA Proceedings;
- (h) exercise any shareholder, partnership, joint venture or other rights of the Applicant, if any;
- (i) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Applicant or the Property;
- (j) have access to all books and records that are the Property of the Applicant or that are in the Applicant's possession or control and the same access as the Applicant have to any books and records no longer in the Applicant's control or possession (collectively, the "**Books and Records**");

- (k) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicant (including, without limitation, any governmental authority) in the name of or on behalf of the Applicant;
- (l) claim or cause the Applicant to claim any and all insurance proceeds or refunds or tax refunds to which either of the Applicant is entitled that were not transferred pursuant to the Vesting Order;
- (m) hold any proceeds from the Transaction in an account of the Monitor on behalf of the Applicant, and pay or cause to be paid from such proceeds, in the name of and on behalf of the Applicants, or in its own name, such amounts as the Monitor deems necessary and appropriate or in accordance with any claims process for the solicitation, determination and resolution of claims against the Applicant and its present and former directors and officers, as applicable;
- (n) act as an authorized representative of the Applicant in respect of dealings with any taxing or regulatory authority, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of the Applicant that a taxing or regulatory authority may require in order to confirm the Monitor's appointment as an authorized representative for such purposes;
- (o) consult with any taxing or regulatory authority with respect to any issues arising in respect of these CCAA Proceedings;
- (p) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Applicant, (i) any tax returns, and (ii) the Applicant's employee-related remittances, T4 statements and records of employments for the Applicant's former employees, in either case, based solely upon the information in

the Books and Records and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;

- (q) sign documentation or take other steps as necessary to cause or implement the dissolution or winding-up of the Applicant;
- (r) assign the Applicant, or cause the Applicant to be assigned, into bankruptcy and to take any steps incidental thereto, and that A&M is authorized and empowered, but not obligated, to act as the licensed insolvency trustee in bankruptcy of each of the Applicant;
- (s) apply to this Court for advice and directions or any further Orders necessary or advisable to carry out the Monitor's powers and duties under this Order or any other Order of this Court granted in these CCAA Proceedings; and
- (t) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligations;

and, in each case where the Monitor takes any action or steps, or signs or enters into any documentation, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Applicant, and without interference from any person.

4. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Certificate, any financial institution where the Applicant holds a bank account (the "**Accounts**"), including Royal Bank of Canada and HSBC UK Bank plc, are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicant in connection with such Accounts and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for or on behalf of and in the name of the Applicant

and shall be empowered and permitted to add and remove persons having signing authority with respect to the Accounts. The financial institutions maintaining such Accounts shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the Applicant and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

5. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Monitor is not and shall not be or be deemed to be a director, officer or employee of the Applicant.

6. **THIS COURT ORDERS** that, without limiting, and subject to, the provisions of the Initial Order and the Vesting Order, the Applicant shall remain in possession and control of the Property and Business or any part thereof.

7. **THIS COURT ORDERS** that the Monitor shall not be liable for any employee-related liabilities of the Applicant, including, without limitation, any successor employer liabilities as provided for in subsection 11.8(1) of the CCAA. Nothing in this Order shall cause the Monitor to be liable for any employment-related liabilities of the Applicant, including wages, severance pay, termination pay, vacation pay, and pension, retirement or benefit obligations, or amounts, in each case whether arising under statute, contract, common law or otherwise. Without limiting the foregoing, the Monitor shall not, as a result of this Order, or with respect to anything done pursuant to its powers pursuant to this Order, be (a) deemed to be the “administrator” of any of the Applicants’ savings or retirement plans; (b) liable for any associated liabilities or costs of the Applicant; or (c) liable for the actions or inactions of any person instructed by the Monitor, or otherwise appointed, in connection with the Applicant’s savings or retirement plans.

8. **THIS COURT ORDERS** that nothing in this Order, and nothing done by the Monitor in carrying out its duties hereunder, shall constitute or result in, or be deemed to constitute or result in, the Monitor being an employer, successor employer, responsible person, operator, officer, director, employee, receiver, trustee (unless assignments in bankruptcy are filed as contemplated by paragraph 4(r) hereof), assignee, liquidator, administrator, legal representative, receiver-manager or agent of the Applicants, in each case, within the meaning of any statute, regulation or rule of law, or equity, for any purpose whatsoever.

9. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA, as an officer of this Court or otherwise at law, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Initial Order and any other Order of this Court granted in these CCAA Proceedings and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out the provisions of this Order and exercising any powers granted to it hereunder. Without limiting the generality of the foregoing, in exercising any powers granted to it hereunder: (i) the Monitor shall not be deemed to have taken or maintained possession or control of the Business or Property, or any part of either of the foregoing; (ii) the Monitor shall be entitled to rely on the Books and Records of the Applicant without independent investigation; and (iii) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part.

10. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors, or legal representative of the Applicant or the Property within the meaning of any applicable legislation.

11. **THIS COURT ORDERS** that the powers and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicant with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court granted in these CCAA Proceedings, the provisions of this Order shall govern.

COOPERATION WITH THE MONITOR

12. **THIS COURT ORDERS** that the Purchaser, the Applicant and each of their respective advisors, current and former officers, directors, employees, agents, Affiliates and representatives shall co-operate with the Monitor in the exercise of its powers pursuant to this Order or any other Order of this Court granted in these CCAA Proceedings, and shall provide the Monitor and the Applicant with such assistance as the Monitor or the Applicant may request from time to time to enable the Monitor to carry out and discharge its powers and duties set out in this Order or any other Order of this Court granted in these CCAA Proceedings; provided, however, that in the case of the Applicant's former employees that are, at the time of any such requests for assistance or information by the Applicant or the Monitor, current employees of the Purchaser, subject to further order of this Court, such co-operation and requests will be limited to reasonable requests for information or assistance that will not reasonably be expected to materially interfere with the day-to-day duties or activities of such employee for the Purchaser, shall not cause or potentially cause liability to the Purchaser (including in respect of any indemnification of or responsibility for the employees in question) and shall be at the Applicant's sole expense, except to the extent such requests relate to Services payable by the Purchaser during the Post-Closing Period pursuant to the APA.

EXTENSION OF STAY OF PROCEEDINGS

13. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order) is hereby extended until and including March 31, 2025, or such later date as this Court may order.

WAGE EARNER PROTECTION PROGRAM ACT

14. **THIS COURT ORDERS AND DECLARES** that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act* (Canada), S.C. 2005, c. 47, s. 1 ("**WEPPA**"), the Applicant meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222.

STYLE OF CAUSE

15. **THIS COURT ORDERS** that upon the official change to the legal names of the Applicant that is to occur in accordance with the Vesting Order, the name of the Applicant in the within title of proceedings shall be deleted and replaced with the new legal name of the Applicant, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings:

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 OLD TBS CANADA LIMITED

GENERAL

16. **THIS COURT ORDERS** that the Applicant, Purchaser or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

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

18. **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 Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that, except as may be necessary to give effect to this Order, the Initial Order and Vesting Order remain in full force and effect and in the event of a conflict between the terms of this Order and those of the Initial Order and Vesting Order, the provisions of this Order shall govern.

20. **THIS COURT ORDERS** that, unless otherwise set out herein, this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order.

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

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF THE BODY SHOP CANADA LIMITED, IN THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO (the "**Applicant**").

Court File No. CV-24-00723586-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ANCILLARY ORDER

DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West
Toronto ON M5V 3J7

Natalie Renner (LSO# 55954A)

Email: nrenner@dwpv.com
Tel: 416.367.7489

Rui Gao (LSO#75470W)

Email: rgao@dwpv.com
Tel: 416.367.7613

Alexander Barnes (LSO#89981N)

Email: abarnes@dwpv.com
Tel: 416.863.4131

Lawyers for the Body Shop Canada Limited